

Canadian Pacific Limited

Executive Offices: 910 Peel Street, P.O. Box 6042, Station A, Montreal, Canada H3C 3E4

Notice to Shareholders

The 103rd Annual General Meeting of Shareholders of this Company, for the election of directors to take the places of the retiring directors and for the transaction of business generally, will be held on Wednesday, the 2nd day of May, 1984, at Le Château Champlain, Place du Canada, Montreal, Quebec, at 11:00 a.m., Montreal time.

Special General Meeting

The meeting will be made special for the following purposes:

- (1) to consider and, if thought advisable, to pass a special resolution authorizing the directors to apply for a certificate of continuance of the Company under the Canada Business Corporations Act and in connection therewith making certain amendments to the Company's charter (the texts of such special resolution and of the articles of continuance referred to therein are included in this Information Statement); and
- (2) to consider and, if thought advisable, to approve and confirm By-law No. 1 which is a new general by-law that would replace existing by-laws effective on the continuance of the Company under the Canada Business Corporations Act (the text of By-law No. 1 is included in this Information Statement).

The transfer books of shares and stock will be closed at the close of business on Tuesday, the 24th day of April, 1984 and will be reopened on Thursday, the 3rd day of May, 1984.

The Board of Directors has specified that the time before which a shareholder intending to vote by proxy at the Annual and Special General Meeting or any adjournments thereof must deposit his proxy with the office of the Vice-President and Secretary at Montreal, Quebec shall be 5:00 p.m., Montreal time, Monday, April 30th, 1984.

By order of the Board,
J.C. Ames, Vice-President and Secretary.
Montreal, March 12th, 1984.

Exchange

All dollar amounts recorded herein are expressed in Canadian dollars. The exchange rate between the Canadian dollar and the U.S. dollar is not fixed. During 1983, the Bank of Canada noon rate ranged between \$1.2187 Canadian equals \$1 U.S. and \$1.2509 Canadian equals \$1 U.S., and averaged \$1.2323 Canadian equals \$1 U.S.

Voting Securities and Principal Holders Thereof

As of March 12, 1984 there was outstanding £864,923 (Sterling) and \$11,539,191 (Canadian Dollar) 4% non-cumulative preference stock. Holders of the preference stock are entitled to one vote for every £1 or \$3 thereof, which represents 4,711,320 votes. As of the same date, there were outstanding 71,662,280 shares of ordinary capital stock (ordinary stock), with a par value of \$5, the holders of which are entitled to one vote for each share held. The holders of both the preference and the ordinary stock are entitled to vote together at the Annual and Special General Meeting, giving a total entitlement of 76,373,600 votes. The holders of the ordinary stock are also entitled to vote separately as a class on the special resolution authorizing continuance (see "Continuance under Canada Business Corporations Act — Required Approval" on page 18). Only holders of preference and ordinary stock whose names have been duly recorded before the preference stock and ordinary stock transfer books are closed on the date indicated in the

Voting Securities and Principal Holders Thereof (continued)

foregoing Notice to Shareholders shall be entitled to vote at the Annual and Special General Meeting. The Annual Report to Shareholders, the Information Statement and other material, as required, will be sent to persons who become shareholders between the initial mailing of the Information Statement and the closing of the books on April 24, 1984.

Except for the shares deemed to be beneficially owned by Messrs. Paul Desmarais, O.C. and James W. Burns (see footnote (1) to the following table), each director and nominee for election as director and the directors and officers as a group do not beneficially own in excess of 1% of any class of voting securities of the Company or any of its subsidiaries.

The only persons known to the management of the Company to be the beneficial owners of more than 5% of any class of its voting securities are as follows:

Title of class	Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of class
As of December 7, 1983 ordinary stock	Caisse de dépôt et placement du Québec, 1981, avenue McGill College, Montréal, Québec H3A 3C7	7,109,400 shares Has sole voting and investment powers.	9.92
As of March 2, 1984 ordinary stock	Power Corporation of Canada, 759 Victoria Square, Montreal, Quebec H2Y 2K4	8,402,194 shares See footnote (1)	11.72
As of December 1, 1983 4% non-cumulative preference stock	Alexander Centre Industries Limited, (a privately owned company), Sudbury, Ontario.	£ 550,264 \$7,877,760 See footnote (2) page 3	67.42
As of December 31, 1983 4% non-cumulative preference stock	Canadian Pacific Enterprises (Finance) N.V., (a wholly-owned indirect subsidiary of Canadian Pacific Enterprises Limited of Calgary, Alberta), 6 John B. Gorsiraweg, Willemstad, Curaçao, Netherlands Antilles.	£ 11,000 \$825,375 Has sole voting and investment powers.	6.07

Footnotes

- (1) At March 2, 1984 Power Corporation of Canada (Power) owned directly 3,368,200 shares of ordinary stock, or 4.70% of the class, as to which it is deemed to have sole voting and investment powers and of which it is deemed to be the beneficial owner under regulations of the United States Securities and Exchange Commission. At the same date, Power controlled or had substantial interests in companies which owned or held or controlled 615,800 shares of ordinary stock, or 0.86% of the class, as to which Power is deemed under such regulations to have sole voting and investment powers and of which it is deemed to be the beneficial owner, and 4,418,194 shares of ordinary stock, or 6.16% of the class, as to which Power is deemed to share voting and investment powers and of which it is also deemed to be the beneficial owner. At the same date, companies which Power controlled or in which it had substantial interests also owned or held or controlled shares in subsidiaries of the Company, as to which Power is deemed to share (except where otherwise indicated) voting and investment powers and of which it is deemed to be the beneficial owner, as follows:

Voting Securities and Principal Holders Thereof (continued)

Footnote (1) (continued)

Canadian Pacific Limited subsidiary	Common shares	Percent of class
Canadian Pacific Enterprises Limited	*2,159,079	1.40
The Algoma Steel Corporation, Limited	901,155	6.42
AMCA International Limited	2,213,730	6.66
Cominco Ltd.	1,079,061	5.14
Pine Point Mines Limited	64,635	1.43
Vestgron Mines Limited	119,622	2.83
Great Lakes Forest Products Limited	273,017	5.59
Corporate Foods Limited	6,900	2.20
Eastern Bakeries Limited	3,300	0.30
PanCanadian Petroleum Limited	861,200	0.69
Steep Rock Resources Inc.	7,755	0.10

* (includes 60,000 shares, or 0.04% of the class, as to which Power is deemed to have sole voting and investment powers)

Except for the 3,368,200 shares of the Company owned directly by Power, the boards of directors of the companies which Power controls or in which it has substantial interests in fact exercise sole voting and investment powers with respect to the shares of the Company and its subsidiaries owned or held or controlled by them, and Power disclaims beneficial ownership of any shares not owned by it directly.

Mr. Paul Desmarais, O.C., a director of the Company, is Chairman and Chief Executive Officer and controlling stockholder of Power, and is deemed under regulations of the United States Securities and Exchange Commission to be the beneficial owner of all shares of the Company and its subsidiaries of which Power is deemed to be the beneficial owner; Mr. Desmarais disclaims beneficial ownership of any shares not owned by Power directly. Mr. James W. Burns, also a director of the Company, is President and a director of Power and may also be deemed under the same regulations to be the beneficial owner of all the shares of the Company and its subsidiaries of which Power is deemed to be the beneficial owner; Mr. Burns disclaims beneficial ownership of any such shares.

An agreement dated December 15, 1981 between the Company, Power and Mr. Desmarais limits to 15% the voting shares of the Company that may be held by the Power group of companies and Mr. Desmarais. Under the agreement, the Power group will vote its beneficially owned shares of the Company in accordance with the recommendations of the board of directors of the Company, except in certain circumstances which do not cover the matters identified in the foregoing Notice to Shareholders. The agreement extends until December 31, 1991, subject to early termination options which arise in certain situations. The agreement allows Power to increase its holdings beyond the 15% only if a take-over bid is made for the Company or if another shareholder acquires more than 10% of the voting shares of the Company. In the case of another shareholder acquiring more than 10%, Power's increased holdings together with those of other members of the Power group are limited to 5% more than the holdings of such other shareholder. Mr. Desmarais and Mr. Burns were nominated as directors of the Company in 1982 and 1983, respectively, pursuant to that agreement.

- (2) Management has been informed that more than 50% of the voting securities of Alexander Centre Industries Limited (Alexander) is owned by Mr. Clifford Fielding, Sudbury, Ontario and that the balance of the voting securities of Alexander is owned by members of Mr. Fielding's family. In addition to the preference stock owned by Alexander, management has been informed that Mr. Fielding, members of his family, trusts established for the benefit of members of his family, and other companies (the shares of which are owned by Mr. Fielding and/or members of his family) own an aggregate of £67,605 and \$774,705 of preference stock.

Annual and Special General Meeting of Shareholders

The Annual General Meeting has been called for the transaction of business generally, including the election of directors and the appointment of auditors. The business for the Special General Meeting will follow immediately the business for the Annual General Meeting, at the same location. At the Special General Meeting, shareholders will be asked to consider and, if thought advisable, to pass a special resolution authorizing the directors to apply for a certificate of continuance of the Company under the Canada Business Corporations Act (CBCA) and in connection

Annual and Special General Meeting of Shareholders (continued)

therewith making certain amendments to the Company's charter. Shareholders also will be asked to consider and, if thought advisable, to approve and confirm By-law No. 1 which is a new general by-law that would replace existing by-laws effective on the continuance of the Company under the CBCA. Particulars of these latter two matters are described below under "Continuance under Canada Business Corporations Act" and "By-law No. 1".

Directors

It is a requirement of the Company's charter that the terms of office of at least one-fifth of the directors shall expire each year and that they shall be eligible for re-election. The terms of the following five directors will expire at the forthcoming Annual General Meeting: F.S. Burbidge, William D. Mulholland, The Hon. John N. Turner, P.C., Q.C., Kenneth A. White and Ray D. Wolfe. At that time, Mr. White will retire, having attained the age limit for directors as prescribed in the Company's by-laws, thus creating a vacancy on the Board. The other four directors whose terms will expire on May 2, 1984 will be nominated for re-election for a term of four years. A second vacancy on the Board is caused by the retirement at the Annual General Meeting of The Hon. Ian D. Sinclair, O.C., Q.C., who also has attained the age limit for directors. At the forthcoming Annual General Meeting, to fill the two vacancies thus created, Mrs. Jean Casselman Wadds, O.C. will be nominated for election as a director for a term of four years replacing Mr. Kenneth A. White, and Mr. A.S. Kingsmill, Q.C. will be nominated for election as a director for a term of one year to complete the unexpired term of The Hon. Ian D. Sinclair. Information as of March 12, 1984 as to the aforementioned six nominees and the directors continuing in office is as follows:

Name of director (For committee memberships and meeting attendance, see footnotes page 8)	Principal occupation or employment	Date on which present term of office expires Director since	Age	Canadian Pacific Limited (CPL) Ordinary Shares owned of record and beneficially as directors' qualifying shares Equity securities of CPL or its subsidiaries, beneficially owned, other than CPL directors' qualifying shares	Certain other directorships and relationships required to be reported by the U.S. Securities and Exchange Commission (see footnotes page 8)
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Nominee for election as director for one year term

A.S. Kingsmill, Q.C.	Partner, Law firm of Tilley, Carson & Findlay, Toronto.		56	2,000 1,825 C.P. Enterprises Limited Common Shares 100 AMCA International Limited Common Shares	Partner of ③ ④ Tilley, Carson & Findlay
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Nominee for election as director for four year term

Jean Casselman Wadds, O.C.	Commissioner, Royal Commission on the Economic Union and Development Prospects for Canada, Ottawa.		63	2,000 Nil	Director of ① Bell Canada
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Directors nominated for re-election for four year term

F.S. Burbidge ① ③	Chairman and Chief Executive Officer, Canadian Pacific Limited, Montreal.	May 2, 1984 1971	65	2,000 4,028 CPL Ordinary Shares 3,920 C.P. Enterprises Limited Common Shares 210 Cominco Ltd. Common Shares 500 AMCA International Limited Common Shares 400 PanCanadian Petroleum Limited Common Shares	Director of ① AMCA International Limited (CPL subsidiary) ① C.P. Enterprises Limited (CPL subsidiary) ① Soo Line Railroad Company (CPL subsidiary)
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Directors (continued)

Name of director (For committee memberships and meeting attendance, see footnotes page 8)	Principal occupation or employment	Date on which present term of office expires <u>Director since</u>	Age	Canadian Pacific Limited (CPL) Ordinary Shares owned of record and beneficially as directors' qualifying shares Equity securities of CPL or its subsidiaries, beneficially owned, other than CPL directors' qualifying shares	Certain other directorships and relationships required to be reported by the U.S. Securities and Exchange Commission (see footnotes page 8)
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Directors nominated for re-election for four year term (continued)

*William D. Mulholland	Chairman and Chief Executive Officer, Bank of Montreal, Toronto.	<u>May 2, 1984</u> 1983	57	<u>2,000</u> Nil	Director of ① The Upjohn Company
The Hon. John N. Turner, P.C., Q.C. ③	Partner, Law firm of McMillan, Binch, Toronto.	<u>May 2, 1984</u> 1976	54	<u>2,000</u> Nil	Director of ① MacMillan Bloedel Limited ① Massey-Ferguson Limited ① The Seagram Company Ltd. ② Canadian Fund Inc. Partner of ③ McMillan, Binch
Ray D. Wolfe ① ③	Chairman and Chief Executive Officer, The Oshawa Group Limited, Toronto, engaged in the merchandising of food, non-food and drugs.	<u>May 2, 1984</u> 1972	66	<u>2,000</u> 5,747 CPL Ordinary Shares (includes 1,500 shares owned by a Canadian registered charitable foundation of which Mr. Wolfe is a director, as to which he disclaims beneficial ownership) 10,000 C.P. Enterprises Limited Common Shares	Director of ① C.P. Enterprises Limited (CPL subsidiary) ① The Bank of Nova Scotia

Directors continuing in office after the meeting

Lloyd I. Barber, O.C., Ph.D.	President and Vice-Chancellor, University of Regina, Regina.	<u>May 7, 1986</u> 1983	52	<u>2,000</u> Nil	Director of ① The Bank of Nova Scotia ① Husky Oil Ltd.
James W. Burns	President, Power Corporation of Canada, Montreal, a holding and management corporation.	<u>May 6, 1987</u> 1983	54	<u>2,000</u> (For list of voting securities that may be deemed to be beneficially owned by Mr. Burns, see footnote (1) page 2)	Director of ① Genstar Corporation
Robert W. Campbell ① ③	Vice-Chairman and Chief Executive Officer, Canadian Pacific Enterprises Limited, Calgary, (CPL subsidiary) a diversified international business enterprise.	<u>May 7, 1986</u> 1982	61	<u>2,000</u> 486 C.P. Enterprises Limited Common Shares 110 Cominco Ltd. Common Shares 100 The Algoma Steel Corporation, Limited Common Shares 250 AMCA International Limited Common Shares 13,760 PanCanadian Petroleum Limited Common Shares 100 Great Lakes Forest Products Limited Common Shares	Director of ① AMCA International Limited (CPL subsidiary) Director, Vice-Chairman and Chief Executive Officer of ① C.P. Enterprises Limited (CPL subsidiary)

Directors (continued)

Name of director (For committee memberships and meeting attendance, see footnotes page 8)	Principal occupation or employment	Date on which present term of office expires Director since	Age	Canadian Pacific Limited (CPL) Ordinary Shares owned of record and beneficially as directors' qualifying shares Equity securities of CPL or its subsidiaries, beneficially owned, other than CPL directors' qualifying shares	Certain other directorships and relationships required to be reported by the U.S. Securities and Exchange Commission (see footnotes page 8)
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Directors continuing in office after the meeting (continued)

Paul Desmarais, O.C. ① ③	Chairman and Chief Executive Officer, Power Corporation of Canada, Montreal, a holding and management corporation.	May 7, 1986 1982	57	2,000 1,000 C.P. Enterprises Limited Common Shares (For list of voting securities deemed to be beneficially owned by Mr. Desmarais, see footnote (1) page 2)	Director of ① The Seagram Company Ltd.
Allard Jiskoot	Director and Former Chairman of the Board, Pierson, Heldring & Pierson N.V., Amsterdam, The Netherlands, bankers.	May 6, 1987 1964	65	2,000 3,000 CPL Ordinary Shares	Director of ① N.V. Philips Glowlamps
Donald C. Matthews	President and General Manager, Highland Stock Farms Ltd., Calgary, cattle breeding.	May 1, 1985 1975	65	2,000 100 CPL Ordinary Shares £1,378 CPL Perpetual 4% Consolidated Debenture Stock (owned by Mr. Matthews' spouse, as to which he disclaims beneficial ownership) 250 Cominco Ltd. Common Shares (includes 200 shares owned by Highland Stock Farms Ltd.)	Nil
W. Earle McLaughlin ① ③ ④	Director and Former Chairman of the Board, The Royal Bank of Canada, Montreal.	May 6, 1987 1965	68	2,000 3,000 CPL Ordinary Shares 18,234 C.P. Enterprises Limited Common Shares 242 The Algoma Steel Corporation, Limited Common Shares 1,000 The Algoma Steel Corporation, Limited \$2 Cumulative Redeemable Convertible Class B Preference Shares Series 1 500 AMCA International Limited Common Shares	Director of ① C.P. Enterprises Limited (CPL subsidiary) ① General Motors Corporation ① Genstar Corporation ① Nabisco Brands, Inc.
Stanley A. Milner	President and Chief Executive Officer, Chieftain Development Co. Ltd., Edmonton, engaged in petroleum and natural gas exploration and development.	May 1, 1985 1980	55	2,000 7,000 CPL Ordinary Shares	Director of ① Banister Continental Ltd. Director, President and Chief Executive Officer of ① Chieftain Development Co. Ltd.

Directors (continued)

Name of director (For committee memberships and meeting attendance, see footnotes page 8)	Principal occupation or employment	Date on which present term of office expires Director since	Age	Canadian Pacific Limited (CPL) Ordinary Shares owned of record and beneficially as directors' qualifying shares Equity securities of CPL or its subsidiaries, beneficially owned, other than CPL directors' qualifying shares	Certain other directorships and relationships required to be reported by the U.S. Securities and Exchange Commission (see footnotes page 8)
Directors continuing in office after the meeting (continued)					
J.H. Moore ②	Chairman, Executive Committee of the Board of Directors, London Life Insurance Company, London, Ontario.	May 6, 1987 1972	68	2,000 1,700 CPL Ordinary Shares 4,400 C.P. Enterprises Limited Common Shares 3,600 PanCanadian Petroleum Limited Common Shares (except for 3,000 C.P. Enterprises Limited Common Shares, all other shares reported above are owned by trusts for the benefit of Mr. Moore's sister of which he is a trustee, as to all of which he disclaims beneficial ownership)	Director of ① Bell Canada Enterprises Inc. ① Bell Canada ① Northern Telecom Limited
Paul L. Paré ① ③	Chairman and Chief Executive Officer, Imasco Limited, Montreal, a parent operating company with tobacco, food services and retail divisions.	May 7, 1986 1973	61	2,000 4,000 C.P. Enterprises Limited Common Shares	Director of ① C.P. Enterprises Limited (CPL subsidiary) ② Canadian Fund Inc.
*The Rt. Hon. Lord Polwarth, T.D., D.L.	Director, Bank of Scotland, Edinburgh, Scotland.	May 1, 1985 1975	67	2,000 Nil	Director of ① Halliburton Company
Claude Pratte, Q.C. ① ② ③	Partner, Law firm of Letourneau & Stein, Quebec.	May 1, 1985 1970	59	2,000 11,167 CPL Ordinary Shares 110,000 C.P. Enterprises Limited Common Shares 318 The Algoma Steel Corporation, Limited Common Shares 330 AMCA International Limited Common Shares	Nil
*Lucien G. Rolland ④	President and Chief Executive Officer, Rolland inc., Montreal, manufacturer and distributor of fine papers.	May 7, 1986 1962	67	2,000 3,700 CPL Ordinary Shares (includes 500 shares owned by an estate of which Mr. Rolland is a trustee and 200 shares owned by Mr. Rolland's spouse, as to all of which he disclaims beneficial ownership) 25 C.P. Enterprises Limited Common Shares	Director of ① Bell Canada Enterprises Inc. ① Inco Limited ② Canadian Fund Inc.
A.M. Runciman ④	Former President, United Grain Growers Limited, Winnipeg, engaged in grain handling.	May 7, 1986 1969	69	2,000 3,000 CPL Ordinary Shares 6,000 C.P. Enterprises Limited Common Shares	Director of ① Massey-Ferguson Limited

Directors (continued)

Name of director (For committee memberships and meeting attendance, see footnotes below)	Principal occupation or employment	Date on which present term of office expires Director since	Age	Canadian Pacific Limited (CPL) Ordinary Shares owned of record and beneficially as directors' qualifying shares Equity securities of CPL or its subsidiaries, beneficially owned, other than CPL directors' qualifying shares	Certain other directorships and relationships required to be reported by the U.S. Securities and Exchange Commission (see footnotes below)
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Directors continuing in office after the meeting (continued)

Thomas G. Rust ④	Chairman of the Board, Crown Forest Industries Limited, Vancouver, engaged in the manufacture, sale and worldwide distribution of pulp, paper, newsprint, lumber, plywood and other products.	May 7, 1986 1977	64	2,000 Nil	Director of ① The Bank of Nova Scotia
F.H. Sherman	Chairman and Chief Executive Officer, Dofasco Inc., Hamilton, basic steel producer — engaged in production of hot rolled steels, skelp, plate, tin plate, cold rolled, galvanized and electrical steels, steel castings, pig iron.	May 6, 1987 1973	67	2,000 70,000 C.P. Enterprises Limited Common Shares (all owned by Dofasco Supplementary Retirement Savings Plan of which he is one of five trustees, as to all of which he disclaims beneficial ownership)	Director of ① The Bank of Nova Scotia
W.W. Stinson ①	President, Canadian Pacific Limited, Montreal.	May 1, 1985 1981	50	2,000 1,223 CPL Ordinary Shares 805 C.P. Enterprises Limited Common Shares 100 Cominco Ltd. Common Shares 100 PanCanadian Petroleum Limited Common Shares 100 Great Lakes Forest Products Limited Common Shares	Director of ① C.P. Enterprises Limited (CPL subsidiary) ① Soo Line Railroad Company (CPL subsidiary)

Footnotes

Committee members are identified in the above column as follows	Committee	Number of meetings in 1983	All nominees and directors have been associated with the firm, corporation or institution shown in the foregoing table during the past five years except J.H. Moore who was Chairman of the Board, John Labatt Limited and was previously Chairman, Brascan Limited.	① Subject to requirements of Sections 12 or 15 (d) of the United States Securities Exchange Act of 1934. ② Registered as an investment company under the United States Investment Company Act of 1940. ③ Law firm which CPL has retained in the last full fiscal year. ④ To which CPL and subsidiaries paid for property or services in 1983 in excess of 5% of the consolidated gross revenues of payee firm or corporation (for additional information, see section entitled Certain Transactions, page 11)
①	Executive	13		
②	Audit	5		
③	Nominating	2		
④	Compensation	3		
	Board of Directors	12		

* attended fewer than 75% of Board and committee meetings on which he served

Pursuant to Securities and Exchange Commission regulations, a brief description of the functions of the Audit, Nominating and Compensation Committees of the Board of Directors is given below.

Directors (continued)

Audit Committee

The Audit Committee discusses with the independent auditors the scope of their examination, monitors progress of the independent audit and ensures the adequacy of accounting controls. The Audit Committee recommends to the Board the appointment of the independent auditors of the Company and the audit fees paid annually. The Audit Committee also reviews the scope and results of the Company's internal audit function.

Nominating Committee

In the event of a vacancy occurring on the Board of Directors or on a Committee of the Board, however caused, the Nominating Committee recommends to the Board a person or persons to fill any such vacancy. The Nominating Committee also considers and recommends to the Board the slate of directors to be nominated for re-election at any Annual General Meeting of Shareholders. The Committee will consider nominees recommended by shareholders and such recommendations may be forwarded to the Vice-President and Secretary at the address shown for the executive offices of the Company appearing on the front page of this Information Statement.

Compensation Committee

The Compensation Committee considers and recommends to the Board remuneration levels for directors and senior management and compensation or other such plans in which directors or officers may be eligible to participate. In addition, the Committee monitors benefits under compensation or other such plans and deals with other matters as directed by the Board from time to time.

Executive Compensation

The following table shows all cash compensation paid in 1983 or to be paid in respect of the year 1983 by the Company and its subsidiaries for services in all capacities to each of the five most highly compensated executive officers of the Company and certain subsidiaries, as to whom the total compensation required to be disclosed herein exceeded \$60,000 and to all executive officers as a group.

Name of individual or number in group	Capacities in which served	Cash compensation			
		Canadian Pacific Limited	Canadian Pacific Enterprises Limited	Other subsidiaries	Total
F.S. Burbidge	As an executive officer of the Company and as a director of certain subsidiaries	\$ 499,010	\$ 21,500	\$ 40,485	\$ 560,995
W.W. Stinson	As an executive officer of the Company and as a director of certain subsidiaries	307,530	12,000	20,245	339,775
R.S. Allison	As an executive officer of the Company and as a director of a subsidiary	201,464	—	9,600	211,064
D.S. Maxwell, Q.C.	As an executive officer of the Company and as a director of a subsidiary	178,175	—	12,915	191,090
R.W. Campbell	As an executive officer of a subsidiary and as a director of the Company and certain subsidiaries	33,600	363,852	52,700	450,152
All executive officers as a group (including the five above-named: 26)	As executive officers and as executive officers and directors	\$3,545,744	\$397,352	\$149,495	\$4,092,591

The aggregate amount of other compensation received by all executive officers as a group did not exceed \$125,000.

Executive Compensation (continued)

The following table shows, for various salary levels, the personal income taxes and resulting after tax salary in 1983 for a Quebec resident who is married and has no other dependants.

Gross salary	Federal and provincial taxes	After tax salary
\$560,000	\$324,025	\$235,975
430,000	245,505	184,495
340,000	191,145	148,855
210,000	112,625	97,375
200,000	106,585	93,415
190,000	100,545	89,455
175,000	91,485	83,515
150,000	76,385	73,615
125,000	61,285	63,715
100,000	46,185	53,815

Variable Compensation Payments Plan

Executive officers of the Company participate in a Variable Compensation Payments Plan, pursuant to which the Compensation Committee of the Board of Directors fixes, annually, a performance objective for each participant based upon the appropriate annual profit plan. The Committee also fixes, for each participant, a target payment level, ranging from 10% to 30% of annual base salary, which may be paid if the performance objective is met. In an exceptional year, target payment levels may be augmented by amounts up to 50% of the level originally fixed. Awards are paid in cash as soon as possible following the end of the year. No payments were made under the Plan in respect of 1983.

Compensation of Directors

Pursuant to By-law No. 106 of the Company, the Board is authorized to appropriate an amount per calendar year not exceeding in total the sum of \$800,000 for the compensation of the directors of the Company, other than those directors who are salaried officers of the Company. For the calendar year 1983 the Board authorized the same compensation paid in 1982 comprising a basic retainer of \$10,000 for each director, an additional retainer of \$5,000 for each member of the Executive Committee, an additional retainer of \$1,000 for the Chairman of the Audit Committee, a fee of \$600 for each director for each meeting of the Board attended and a fee of \$600 for each member for each meeting of the Executive, Audit, Compensation, Nominating, Pension Trust Fund and Management Resources Committees attended.

Pension Plan

The Company maintains a contributory, defined benefit pension plan pursuant to which pensions are paid to eligible officers and employees of the Company at retirement. Under the plan, pensions are paid at the normal retirement age of 65, based upon pensionable earnings (wages or salary) and credited years of service up to a maximum of 35 as follows:

Pension Table

Estimated annual pension income payable at retirement

(See footnote (2) for pensionable earnings and credited years of service of named executive officers)

Best consecutive or final five year average pensionable earnings	Credited years of service				
	15	20	25	30	35
\$150,000	\$ 43,435	\$ 58,122	\$ 73,122	\$ 88,122	\$103,122
200,000	58,435	78,122	98,122	118,122	138,122
250,000	73,435	98,122	123,122	148,122	173,122
300,000	88,435	118,122	148,122	178,122	208,122
350,000	103,435	138,122	173,122	208,122	243,122
400,000	118,435	158,122	198,122	238,122	278,122
450,000	133,435	178,122	223,122	268,122	313,122

Footnotes on page 11.

Executive Compensation (continued)

Pension Plan (continued)

Footnotes

- (1) Benefits arising from the pension plan are based on pensionable salary only and not on any fees, directors' fees, commissions, bonuses, or salary beyond normal retirement age.
- (2) Pensionable earnings during 1983 and credited years of service at the end of 1983 for executive officers named in the compensation table were as follows: Mr. Burbidge \$345,825 and 35 years (earnings cover only the nine months of 1983 up to and including the month he reached age 65); Mr. Stinson \$291,500 and 30⁵/₁₂ years and Mr. Allison \$186,560 and 35 years. Messrs. Campbell and Maxwell do not participate in the Company's Pension Plan (see the second paragraph following these footnotes).
- (3) Benefit amounts listed in the above pension table are not subject to any deduction for Canada Pension Plan or Quebec Pension Plan income.

Officers and certain management and supervisory employees who defer their retirement beyond age 65 at the request of the Company will be paid monthly by the Company, upon retirement, a supplementary allowance of 1% of his/her monthly basic pension entitlement multiplied by the number of months such employee defers his/her retirement beyond age 65. Only two persons among the above group of 26 executive officers accrued a supplementary allowance under this policy during 1983. As of December 31, 1983, Mr. Burbidge and Ms. M. Mottashed, former Comptroller of the Company, had accrued supplementary allowances based, respectively, on 3 and 13 months of service beyond normal retirement age.

Pursuant to an agreement with Canadian Pacific Enterprises Limited, Mr. Campbell is to receive from it, after retirement, a total monthly payment equal to 66²/₃% of his average monthly salary during the five years immediately preceding his retirement less any benefits received from the PanCanadian Petroleum pension plan and the pension plan of a previous employer. The compensation and retirement benefits of Mr. Maxwell and one other officer included in the group but not named in the compensation table are governed by individual employment contracts of indefinite duration pursuant to which their compensation is determined from time to time by Company policy. The retirement income to be paid by the Company at age 65 to Mr. Maxwell is fixed at 27.3% of his then current compensation. The other officer is covered by an individual pension arrangement under which he accrues retirement benefits equal to 3¹/₂% of his final 5-year average salary for each year of service less any benefits received from his own contributions to a registered retirement savings plan.

Certain Transactions

The Company and its subsidiaries, in the normal course of business, paid \$536,095 to the firm of Tilley, Carson & Findlay, of which Mr. A.S. Kingsmill, Q.C., a nominee for director, is a partner, for legal services in the fiscal year ended December 31, 1983.

Relocation of employees

To assist employees affected by relocation, the Company makes mortgage loans available in amounts dependent upon the cost differential in housing in the locations involved, the purchase price of the new house and the salary of the employee. Mr. D.C. Coleman, Vice-President Eastern Region has such a loan, extended in May 1981, for a term of 20 years which bears no interest for the first 10 years and interest at the lesser of 10% or the Bank of Montreal prime rate for the final 10 years. One-third of this loan is to be repaid in the first 10 years and the balance in the final 10 years. The largest aggregate amount outstanding on the loan to Mr. Coleman during the period January 1, 1983 to February 29, 1984 was \$66,000 and the amount outstanding at February 29, 1984 was \$66,000.

Auditors

There will be submitted to the Annual General Meeting, for approval by a majority of the votes and proxies then present and given, a resolution appointing Price Waterhouse to the office of auditors of the Company for a term expiring at the close of the next annual meeting of shareholders, to be held in 1985, and authorizing the Board of Directors to fix the remuneration to be paid to the auditors. Neither Price Waterhouse nor any partner of that firm has any direct or indirect financial interest in the Company or any of its subsidiaries. Representatives of Price Waterhouse will be present at the meeting with the opportunity to make a statement if they so desire and to respond to appropriate questions.

Continuance under Canada Business Corporations Act

One of the purposes for which the Special General Meeting has been called is to consider and, if thought advisable, to pass a special resolution authorizing the directors to apply for a certificate of continuance of the Company under the CBCA and in connection therewith making certain amendments to the Company's charter. For the most part, such amendments are required to conform to the CBCA and to make it clear that the charter would no longer apply as to matters provided for by the CBCA. In addition, the provisions applicable to the ordinary stock would be simplified and modernized as discussed below under "Ordinary Shares". The full texts of the special resolution and of the articles of continuance referred to therein are attached as Schedules I and II to this Information Statement.

The Board of Directors considers it advantageous to the Company and its shareholders that the Company be continued under the CBCA and unanimously recommends that shareholders vote for the proposed special resolution.

The CBCA came into force in 1975. Its stated purposes are to revise and reform the law applicable to business corporations incorporated to carry on business throughout Canada, to advance the cause of uniformity of business corporation law in Canada and to provide a means of allowing an orderly transference of certain federal companies incorporated under various Acts of Parliament to the CBCA.

Most companies governed by the old Canada Corporations Act were required to continue by December 15, 1980. The Company was not required to continue, but it may do so. Following is a discussion of the more significant aspects of the proposed continuance.

Corporate charter

The Company's present corporate charter includes various Special Acts of the Parliament of Canada dating back to 1881, letters patent issued pursuant to its 1881 Special Act and supplementary letters patent issued under the Railway Act. The Company also is governed by the Railway Act, which contains provisions relating to both corporate and railway matters. On continuance, the Company would become a corporation to which the CBCA applied as if it had been incorporated thereunder and the articles of continuance would be deemed to be the articles of incorporation of the Company. The Company would remain a railway company subject to the provisions of the Railway Act except to the extent modified or rendered inapplicable by the provisions of the CBCA.

The proposed articles have been prepared on the basis that they generally would make no amendment to the charter other than as appropriate to conform to the CBCA. The articles state that the provisions of the charter continue to apply amended as required to conform to the CBCA, except as otherwise provided in the articles and as to matters provided for by the CBCA.

Under and subject to the CBCA, a corporation has the capacity and the rights, powers and privileges of a natural person, unless its articles restrict it from carrying on any business or exercising any power. The proposed articles contain no such restriction. The Company's present charter confers on it various franchises, privileges and powers. The proposed articles provide that the Company shall continue to have all rights, licences, franchises, powers, privileges, authorities and immunities heretofore granted to it.

The proposed articles provide that the Company may continue to issue consolidated debenture stock and bonds, debentures or other securities collateral to or in lieu of any consolidated debenture stock as contemplated by the charter. They also provide that except to the extent required to conform to the CBCA and as otherwise provided in the articles, no security or security interest outstanding shall be affected by the continuance. Under the CBCA, unless the articles or by-laws otherwise provide, the directors may, without authorization of the shareholders, borrow money on the credit of the corporation, issue, reissue, sell or pledge debt obligations of the corporation, give a guarantee on behalf of the corporation to secure performance of an obligation of any person, and mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation to secure any obligation of the corporation.

Registered office

Under the proposed articles, the registered office of the Company would be in Montreal, Quebec. Under the present charter, the chief place of business of the Company is at Montreal.

Continuance under Canada Business Corporations Act (continued)

Share capital

The proposed articles preserve the existing capital structure within the context of the CBCA requirement that shares be without nominal or par value. The articles provide for authorized capital of 100,000,000 Ordinary Shares, a number of Preference Shares determined on the basis of a formula and a number of Preferred Shares issuable in series also determined on the basis of a formula, all without nominal or par value.

At present, the Company's authorized capital consists of: \$500,000,000 of ordinary stock in shares of \$5 par value each; preference stock to an amount outstanding not exceeding at any time one-half the aggregate amount of the ordinary stock then outstanding, with preference stock surrendered for preferred shares decreasing authorized capital, every \$3 or £1 of preference stock giving the same rights as to voting as a share of \$5 of ordinary stock; and 25,000,000 preferred shares of \$10 par value each, the first series of which consisted of 5,600,000 shares, 4,618,212 of which have been issued and, as of the end of 1983, 3,347,302 of which had been purchased for cancellation reducing the authorized number.

The 100,000,000 Ordinary Shares in the proposed articles is equivalent to the present \$500,000,000 of ordinary stock in shares of \$5 par value each. The formula for the Preference Shares in the articles retains the present one-half in amount relationship between the preference stock and the outstanding ordinary stock, with preference stock surrendered for preferred shares decreasing authorized capital, treating Preference Shares as \$3 or £1 of preference stock and Ordinary Shares as \$5 of ordinary stock. The formula for the Preferred Shares retains the present 25,000,000 preferred shares less purchases for cancellation to the effective date of the continuance.

The proposed articles provide that on continuance, each \$5 share of ordinary stock would constitute 1 Ordinary Share, each \$3 and £1 of preference stock would constitute 1 Canadian Dollar and 1 Sterling Preference Share respectively and each issued preferred share would constitute 1 Preferred Share. All the shares would be without nominal or par value.

Ordinary Shares

The proposed articles provide that the holders of the Ordinary Shares would be entitled to vote at any meeting of shareholders of the Company except at separate meetings of or on separate votes by the holders of another class or series of shares, to receive any dividend declared by the Company except dividends declared on another class or series of shares and, subject to the rights of holders of shares of other classes, to receive the remaining property of the Company on dissolution. This provision reflects the requirement of the CBCA that such rights be attached to at least one class of shares and is consistent with the present charter.

At present, the Company has issued 71,662,280 shares of ordinary stock. The remaining authorized ordinary stock derives from the Company's 1892 Special Act which provides that the Company, being first authorized by a vote of at least two-thirds of its shareholders present or represented at a meeting, may from time to time issue shares of capital stock for any purpose for which the Company requires new capital, in such amounts and at such times as the shareholders determine, such issue first being approved by the Governor in Council, and the proceeds of each issue to be applied exclusively to the purpose for which the shareholders authorized such issue.

Governor in Council approval of an increase in the ordinary stock to \$500,000,000 was granted by Order-in-Council on February 4, 1930. Shareholder authorization for the issue of the additional stock was given by resolutions in 1931, 1936 and 1953 which provided that the shares be issued by the directors from time to time according to the requirements of the Company and be disposed of by the directors in such amounts, at such times, in such manner and form, at such price not less than par, and upon such terms of payment as the directors may determine. The resolutions also provided that the proceeds of issue be applied in improving the Company's property, adding to its facilities and equipment, constructing such works and acquiring such property as in the opinion of the directors were desirable in connection with the Company's business and, in the case of the 1953 resolution, for any other purpose for which additional capital may be required or for reimbursing the treasury of the Company for any such expenditure.

The Company's 1893 Special Act contemplates that ordinary stock might be issued in Sterling and that outstanding ordinary stock of \$100 each might be converted into Sterling. A by-law provided for such conversion with £1 being the equivalent of \$4.86%. No Sterling ordinary stock ever was issued and the outstanding ordinary stock in effect has been subdivided twice to \$5.

These provisions for the Company's ordinary stock are somewhat complex and antiquated. Given the character and exigencies of today's capital markets, it would be desirable to simplify and modernize the provisions applicable to the stock. Accordingly, the proposed articles provide that Ordinary Shares could be issued in such amounts, at such times, to such persons, for such consideration and for such purposes as the directors may from time to time determine, and the conversion provision would not be reflected. This would place the Company in the same position in relation to its Ordinary Shares as most other corporations in relation to their common shares and would facilitate possible future public issues of Ordinary Shares if the interests of the Company so require.

Continuance under Canada Business Corporations Act (continued)

Preference Shares

The provisions in the proposed articles relating to the Preference Shares reflect the present provisions relating to the preference stock. They make no change affecting the preference stock other than as required to conform to the CBCA.

As with the preference stock, Preference Shares could be issued in Canadian or United States currency or Sterling money of Great Britain and could at the request or with the consent of any holder be converted or reconverted by the Company from one into another on such terms as the directors may prescribe. Every Canadian Dollar Preference Share and every Sterling Preference Share would give the same rights as to voting as are given by an Ordinary Share. The voting rights of any Preference Shares in United States currency would remain unstated as under the present charter, none having been issued, and articles of amendment would be necessary before any issue thereof. The dividend provisions would be the same as at present, with the 4% dividend rate being stated in amounts equivalent thereto because the shares would be without nominal or par value. As under the charter, the Preference Shares would be stated not to affect the lien created by any mortgage, debenture or bond issued by the Company.

The proposed articles state that the rights of the holders of the Preference Shares on dissolution would be determined on the basis of the present provisions applicable to the preference stock. The reason for this is that the present charter does not contemplate the dissolution of the Company because it is obligated under contract with the federal Government forever to maintain, work and run the Canadian Pacific Railway, so the rights of shareholders on dissolution are unstated. The statement in the proposed articles avoids any possibility of change to shareholders' existing rights.

As under the present charter, the proposed articles provide that the directors could issue Preference Shares for any purpose involving the raising of new capital, the expenditure of which shall have been previously authorized by the shareholders. The articles also continue to provide for the issue of Preferred Shares in consideration of the surrender of Preference Shares, although the Company has no plans to do so. In addition, the articles provide that except to the extent otherwise required by the CBCA, Preference Shares would be issued in accordance with the provisions applicable to the preference stock under the present charter. The exception relates to the requirements of the CBCA that shares be without par value and be issued as fully paid and non-assessable.

Preferred Shares

The provisions in the proposed articles relating to the Preferred Shares generally are the same as those under the present charter, with minor modifications in wording to conform to the CBCA and remove provisions relating to dates which have passed, which modifications do not affect the terms of the shares in any substantive way.

The provisions relating to the Preferred Shares as a class would continue to allow for issuance in series. As with the Preference Shares, the rights of the holders of the Preferred Shares on dissolution would be stated to be determined on the basis of the present provisions applicable to the preferred shares, to avoid any possibility of changing the existing rights of shareholders. The proposed articles contain provisions relating to Series A Preferred Shares in substantially the same terms as the present charter. The articles also provide that except to the extent otherwise required by the CBCA, Preferred Shares would be issued in accordance with the provisions applicable to the preferred shares under the present charter. In addition, the articles provide that Preferred Shares redeemed or purchased for cancellation shall be cancelled and the authorized and issued capital of the Company shall thereby be decreased.

Share capital generally

Under the CBCA, the Company would be permitted to purchase or otherwise acquire its own shares, subject to certain solvency tests and to its articles. At present, the Company is prohibited by the Railway Act from directly or indirectly employing any of its funds in the purchase of its own stock, except as otherwise provided in the Company's Special Acts or the Railway Act, which contemplates preferred shares being redeemable or purchasable for cancellation by their terms. The Company has no plan to purchase or otherwise acquire any issued Ordinary Shares or Preference Shares. The Preferred Shares would continue to be redeemable and purchasable for cancellation by their terms.

Under the CBCA, shares issued by the Company would be non-assessable and shares could not be issued until the consideration therefor was fully paid. All the Company's present issued stock and shares are fully paid and non-assessable.

Continuance under Canada Business Corporations Act (continued)

Shareholders

The CBCA contains provisions as to the time and place of shareholders' meetings which are described below under "By-law No. 1". Under the CBCA, notice of meetings of shareholders must be sent not less than 21 nor more than 50 days before the meeting. For the purpose of determining shareholders entitled to receive notice, the directors may fix in advance a record date preceding the date of the meeting by not more than 50 and not less than 21 days and advance notice thereof must be advertised. If no record date is fixed, it is the day immediately preceding the notice. The corporation must prepare a list of shareholders entitled to receive notice not later than 10 days after a fixed record date or on the day immediately preceding the notice. Persons named in the list are entitled to vote the shares shown as held by them, except to the extent that they have transferred ownership after the fixed record date or the date immediately preceding the notice and the transferee demands not later than 10 days before the meeting that his name be included. Shareholders may examine the list.

Under the present charter, notice of meetings of shareholders must be published in the Canada Gazette and in a daily newspaper in Montreal or elsewhere in Canada for four weeks. Notice also is mailed to shareholders. There is no provision for record dates and, except as may otherwise be decided by the directors, the share transfer books must be closed on the day fixed for the meeting and not less than two days immediately prior thereto.

Under the CBCA, the management of the Company would be required to solicit proxies from shareholders for each meeting of shareholders with a management proxy circular containing prescribed information. The form of proxy must provide a means for shareholders to specify that their shares be voted or withheld from voting in the election of directors and the appointment of an auditor and for or against other matters. Under the present charter, management does solicit proxies, but the Railway Act requires a completely discretionary form of proxy which in the past has precluded proxy solicitation in the United States, although disclosure in the Company's information statements complies with United States rules because the ordinary stock is listed on the New York Stock Exchange. Use of the CBCA form of proxy would allow all shareholders to specify how their shares will be voted and would permit proxy solicitation in the United States.

The CBCA provides that a shareholder may submit to the corporation notice of any matter that he proposes to raise at an annual meeting and, subject to certain exceptions, the corporation must include the proposal and a supporting statement with the management proxy circular. A proposal may include nominations for the election of directors if signed by the holders of not less than 5% of all the shares or of the shares of a class entitled to vote at the meeting. A shareholder may make a proposal to make, amend or repeal a by-law or to amend the articles.

Under the CBCA, the holders of not less than 5% of the issued shares of the Company carrying the right to vote at a meeting could requisition the directors to call a meeting of shareholders for the purposes stated in the requisition. Under the present charter, shareholders' meetings can be requisitioned by shareholders holding one-fourth of the shares of the stock of the Company.

Under the CBCA, a special resolution of the shareholders of the Company would be required for amendments to its articles, a sale, lease or exchange of all or substantially all its property otherwise than in the ordinary course of business or an amalgamation. A special resolution is one passed by a majority of not less than two-thirds of the votes cast by shareholders voting on the resolution. In other cases, shareholder approval would be given by an ordinary resolution, which is one passed by a simple majority.

The present charter does not contemplate separate class voting rights of shareholders, except as provided in the terms of the preferred shares. Under the charter, every \$3 or £1 of preference stock gives the same rights as to voting as are given by a share of \$5 of ordinary stock. By the terms of the preferred shares, the holders thereof do not have any voting rights except to elect three directors if there is default in paying dividends and at meetings on any question directly affecting any of the rights or privileges attached to the preferred shares, but no change adversely affecting the rights or privileges of any series of preferred shares can be made unless sanctioned by at least two-thirds of the votes cast at a meeting of the holders of the preferred shares of such series, and no deletion or variation of any preferences, privileges, rights, restrictions, conditions or limitations attaching to the 7¼% preferred shares series A can be made without such a vote.

To maintain the present position to the extent permissible under the CBCA, the proposed articles provide that the holders of shares of a class or series would not be entitled to vote separately as a class or series pursuant to the CBCA upon a proposal to amend the articles to (a) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class, (b) effect an exchange, reclassification or cancellation of all or part of the shares of such class, or (c) create a new class of shares equal or superior to the shares of such class. The proposed articles state, however, that this provision would not be interpreted as affecting any right to vote that is conferred by the present charter.

Continuance under Canada Business Corporations Act (continued)

Shareholders (continued)

Under the CBCA, shareholders would have certain separate class voting rights apart from the articles. These arise on a proposal to amend the articles to (a) add, change or remove the rights, privileges, restrictions or conditions attached to the shares of such class, (b) increase the rights or privileges of any class of shares having rights or privileges equal or superior to the shares of such class, (c) make any class of shares having rights or privileges inferior to the shares of such class equal or superior to the shares of such class, (d) effect an exchange or create a right of exchange of all or part of the shares of another class into shares of such class, or (e) constrain the issue, transfer or ownership of the shares of such class.

The CBCA provides for separate class voting rights in respect of an amalgamation if the amalgamation agreement contains a provision that, if contained in an amendment to the articles, would entitle shareholders to such rights. In addition, where a sale, lease or exchange of all or substantially all the property of a corporation other than in the ordinary course of business affects a class or series of shares differently than others, the holders thereof are entitled to vote separately as a class or series. Shareholders also may have separate class voting rights in certain transactions by virtue of judicially established principles apart from statute, which rights may apply before or after continuance.

Under the CBCA, shareholders and other persons could require the Company to furnish a list of shareholders setting out their names and addresses and the number of shares owned by each. Under the Railway Act, the shareholders' list which is open to the inspection of shareholders need not set out the number of shares owned by each. The CBCA also provides that a corporation must keep at its registered office a copy of the financial statements of each of its subsidiaries and of other companies the accounts of which are consolidated in the financial statements of the corporation, and the shareholders may examine such statements unless barred from doing so by a court order on the basis of detriment to the corporation or a subsidiary. The present charter contains no such provisions.

The CBCA requires public corporations to have an auditor appointed by the shareholders and provides that shareholders can remove the auditor by ordinary resolution. The present charter does not contain provisions relating to auditors, although as a practical matter an auditor is appointed.

Under the CBCA, if the Company resolved to make certain amendments to its articles or take certain other actions, shareholders would have the right to follow a statutory dissent procedure to be paid by the Company the fair value of their shares, as fixed by a court if the shareholder and the Company failed to agree. The present charter does not provide for such a procedure. No such right of dissent arises in respect of the proposed continuance.

Under the CBCA, a shareholder or certain others could apply to a court for leave to bring an action on behalf of the Company and, if the court were satisfied that it appeared to be in the interests of the Company that the action be brought, it could make any order it thought fit, including authorizing the control of the conduct of the action. In addition, a shareholder or certain others could apply to a court for an order rectifying matters that were oppressive or unfairly prejudicial to or that unfairly disregarded the interests of a shareholder or certain others. Also, a shareholder could apply to a court for an order directing an investigation of the Company and the court could order such an investigation in various circumstances, including fraud or conduct that was oppressive or unfairly prejudicial to or that unfairly disregarded the interests of a shareholder. There are no comparable rights set forth in the present charter.

On continuance, the CBCA take-over bid rules would apply to any offer made to shareholders of the Company to acquire shares that exceed 10% of any class of issued shares of the Company when combined with shares already beneficially owned by the offeror, other than certain exempt offers. Such rules generally require that the offer be sent to all shareholders resident in Canada.

Directors

Under the CBCA, the articles, not just the by-laws, must make provision for either a fixed number or a minimum and maximum number of directors. The present charter provides for a maximum of 24 directors and this maximum is being retained and supplemented by a minimum of three directors, which is the minimum required for a public corporation. The actual number of directors to be elected from time to time would be fixed by the directors pursuant to by-law.

Under the CBCA, a majority of the directors of the Company and of any committee of the directors would have to be resident Canadians and the directors could not transact business at a meeting unless a majority of resident Canadians were present. The present charter provides that a majority of the directors must be Canadian citizens unless the Governor in Council otherwise permits. A majority of the Company's directors and of each committee of the Company's directors now are resident Canadians.

Continuance under Canada Business Corporations Act (continued)

Directors (continued)

Under the CBCA, at least two of the directors of a public corporation must not be officers or employees of the corporation or its affiliates. At present, 19 of the Company's 23 directors are independent.

The CBCA does not require that directors be shareholders of the corporation. However, the proposed articles would continue the requirement under the present charter that the directors each hold at least 2,000 Ordinary Shares of the Company.

Under the CBCA, directors may be elected to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. It is not necessary that all directors elected at a meeting hold office for the same term. Under the present charter, the directors are elected for a term ending at the annual meeting in the fourth calendar year following the election unless a shorter term is stipulated and the terms of at least one-fifth of the directors must expire each year. Continuance would not affect the term of any director then in office and a new by-law of the Company would provide for future elections of directors in accordance with the CBCA provisions. See discussion under "By-law No. 1" below.

The CBCA permits meetings of directors and of committees of directors by conference telephone or other communications facilities allowing all persons participating to hear each other. It also allows directors to act by unanimous written resolution. The present charter does not provide for either procedure.

Under the CBCA, a public corporation must have an audit committee composed of not less than three directors, a majority of whom are not officers or employees of the corporation or any of its affiliates. The Company now has an Audit Committee of three independent directors.

The CBCA provides that the directors of a corporation may appoint a committee of directors and delegate to it any of the powers of the directors, except those relating to certain specified matters. The Company now has an Executive Committee of eight members which is vested with all the ordinary powers of the Board during the interval between meetings thereof, subject to instructions of the Board and to the ratification of their action by the Board at its next meeting. The Company also has Compensation, Nominating and Pension Trust Fund Committees.

The CBCA would permit shareholders of the Company to remove any director from office and fill the vacancy thereby created by ordinary resolution at a special meeting. The present charter does not provide for removal of directors before the expiry of their terms.

Under the CBCA, a quorum of directors may fill a vacancy among the directors, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure to elect the number or minimum number of directors required by the articles. A director appointed to fill a vacancy holds office for the unexpired term of his predecessor. Under the present charter, when a director dies or ceases to hold office before the expiration of his term, the Board may appoint a replacement for the balance of the term and he must stand for re-election for the remaining balance of the term at the next annual meeting.

The CBCA provides that except in respect of an action by a corporation in its favour, the corporation may indemnify a present or former director or officer or certain others against all costs reasonably incurred by him in respect of any civil, criminal or administrative action to which he is made a party by reason of having been a director or officer if he acted honestly and in good faith with a view to the best interests of the corporation and, in the case of a criminal or administrative action enforced by monetary penalty, he had reasonable grounds for believing that his conduct was lawful. Indemnification is mandatory if the person was substantially successful in his defence of the action. Indemnification in respect of an action by the corporation in its favour requires court approval. A new by-law of the Company would provide for indemnification to the extent permitted by the CBCA and otherwise by law. The Company now has an indemnification by-law described below under "By-law No. 1".

The CBCA permits a corporation to purchase insurance for the benefit of its directors and officers against any liability incurred in their capacity as such except where the liability relates to failure to act honestly and in good faith with a view to the best interests of the corporation. At present, the Company maintains directors and officers insurance and it is proposed to do so after continuance.

The CBCA allows for cumulative voting in the election of directors if the articles of the corporation so provide. The proposed articles do not so provide.

Continuance under Canada Business Corporations Act (continued)

Corporate changes

Under the CBCA, amendments could be made to the articles by special resolution of the shareholders, with separate class or series voting rights in certain cases as described above under “Shareholders”. Under the Railway Act, changes to matters contained in the Company’s Special Acts which are not inconsistent with the Railway Act may be made by supplementary letters patent if authorized by ordinary resolution at a special general meeting of the shareholders. Supplementary letters patent may be granted at the discretion of the Minister of Consumer and Corporate Affairs and must be concurred in by the Canadian Transport Commission (CTC).

The CBCA permits a corporation to amalgamate with its wholly-owned CBCA subsidiaries on a simplified basis if approved by the directors of each amalgamating corporation. It also permits a corporation to amalgamate with any other CBCA corporation if the amalgamation agreement is approved by special resolution of the shareholders, with separate class or series voting rights in certain cases. Under the Railway Act, in addition to shareholder approval, amalgamation requires authorization by a Special Act, submission to the CTC and sanction by the Governor in Council and must be with another railway company. The Company has no plan to amalgamate with any other corporation.

The CBCA allows a corporation to constrain the issue or transfer of its shares to persons who are not resident Canadians, or to enable it to qualify under prescribed laws to obtain a business licence, become a Canadian publisher or acquire shares of a financial intermediary, or to assist it to qualify under prescribed laws to receive licences or grants by attaining or maintaining a specified level of Canadian ownership or control. The Company has no intention of so constraining its shares and no such constraint is included in the proposed articles. In any event, any future constraint would require articles of amendment authorized by a special resolution of shareholders.

Required approval

To become effective, the special resolution authorizing continuance must be passed by a majority of not less than two-thirds of the votes cast by the holders of the ordinary and preference stock present or represented at the meeting and voting together on the resolution. It also must be passed by a majority of not less than two-thirds of the votes cast by the holders of the ordinary stock present or represented and voting on the resolution separately as a class, because the proposed articles simplify and modernize the provisions applicable thereto.

The holders of the preference stock are not entitled to vote separately as a class because no change affecting the stock of the nature entitling them to such a vote is being proposed. In accordance with the terms of the 7¼% cumulative redeemable preferred shares, series A, the holders thereof are not entitled to vote on the resolution because there is nothing directly affecting the rights or privileges attached to the shares, no change adversely affecting the rights or privileges of the shares and no deletion or variation of any preferences, privileges, rights, restrictions, conditions or limitations attaching to the shares.

By-law No. 1

At the Special General Meeting, shareholders will be asked to consider and, if thought advisable, to approve and confirm a new By-law No. 1 of the Company. The full text of the new by-law is attached as Schedule III to this Information Statement.

New By-law No. 1, regulating generally the transaction of the business and affairs of the Company, was made by a resolution of the Board of Directors on March 12, 1984. It would come into force on the continuance of the Company under the CBCA. It would replace all but two of the existing by-laws of the Company.

With continuance under the CBCA, it would be appropriate for the Company to have a new general by-law consistent with the provisions of the CBCA and its articles of continuance. New By-law No. 1 takes advantage of provisions of the CBCA simplifying and updating corporate procedures and making them more flexible. The Company believes that none of the changes in By-law No. 1 would adversely affect the rights of shareholders. Following is a discussion of the more significant aspects of the new by-law in relation to the present by-laws.

The new by-law provides that unless the Board otherwise determines, the annual meeting of shareholders shall be held on the first Wednesday of May in each year and that the Board, the Chairman or the President may call a meeting of shareholders, other than an annual meeting, at any time. Under the CBCA, the directors must call the annual meeting not later than 15 months after the last annual meeting and may at any time call a special meeting.

By-law No. 1 (continued)

All meetings of shareholders ordinarily must be held within Canada, at the place that the directors determine if the by-laws do not provide for the place. Under the present by-laws, the annual meeting must be held on the first Wednesday of May and a special meeting may be called at any time by the Board, the Chairman, the President or any three directors. The present by-laws provide that meetings may be held at certain specified cities in Canada and in London, England.

Under the new by-law, except as otherwise provided in the articles, a quorum at any meeting of shareholders would be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder for such a shareholder and together holding or representing by proxy not less than 25% of the outstanding shares entitled to be voted at the meeting. Under the CBCA, in the absence of such a provision, the quorum would be the holders of a majority of such shares present or represented. The present by-laws do not provide for the quorum and accordingly it could be constituted by two shareholders. The reference in the new by-law to the articles relates to the 20% quorum for a meeting of the holders of the 7¼% Cumulative Redeemable Preferred Shares, Series A required to authorize a variation of their terms as under the present charter.

The new by-law provides that subject to the articles, the number of directors of the Company may be fixed from time to time by resolution of the Board. The present by-laws fix the number at 23.

Under the new by-law, each director would be elected to hold office for a three year term unless a shorter term were stated at the time of his election. If no term is stated, the term would be one year. Under the present by-laws, directors are elected for four year terms unless shorter terms are stipulated. The new by-law would not reduce the term of office of any director in office prior to the continuance. It would provide that subject to the CBCA, of the number of directors to be elected at the first annual meeting following continuance, at least one-third would be elected for a three year term, one-third for a two year term and the remainder for a one year term.

Under the new by-law, no person could be elected or appointed a director if he exceeded the age of 70 years and a director would cease to hold office at the close of the annual meeting following the date on which he reached the age of 70 years. A director who was a salaried officer of the Company, other than the Chairman or the President, would cease to hold office when he ceased to be a salaried officer. These provisions reflect similar provisions in the present by-laws.

The new by-law provides that a majority of the directors shall form a quorum of the Board. The present by-laws provide that a majority of the directors shall form a quorum, that directors may vote and act by proxy and that no meeting of directors is competent to transact business unless three directors are present in person.

Under the new by-law, meetings of the Board could be held from time to time at a time and place determined by the Board, the Chairman, the President, a Vice-President who is a director or any two directors. Under the present by-laws, meetings may be called by the Chairman, the President or any two directors and may be held at certain specified cities in Canada and in London, England.

The new by-law provides that no director who is a salaried officer of the Company would be entitled to any remuneration as a director. Under the CBCA, subject to the articles or by-laws, the directors may fix the remuneration of the directors, officers and employees. The present by-laws provide that there may be appropriated annually by the Board any amounts not exceeding \$800,000 per calendar year out of which may be paid to the directors who are not salaried officers such remuneration as may be determined by the Board.

Under the new by-law, directors or officers employed by or performing services for the Company otherwise than as a director or officer would not be disentitled from receiving proper remuneration for such services, nor would firms or corporations with which they were associated. This reflects a similar provision in the present by-laws.

The new by-law contains provisions for the Executive Committee which are similar to the present by-laws, except that a quorum of the committee would be a majority rather than two members, there would be no specially designated Chairman of the committee and, as permitted by the CBCA, its action would not be subject to ratification by the Board.

The new by-law contains provisions for the execution of documents and cheques which reflect provisions of the present by-laws. It also contains provisions relating to dividends and the payment thereof which are similar to those of other public corporations and reflect present practice. In addition, it includes a borrowing provision which reflects the relevant provision of the CBCA.

By-law No. 1 (continued)

The new by-law provides for limitation of liability of directors and officers. This reflects a similar provision in the present by-laws. The new by-law also provides that the Company shall indemnify directors and officers and certain others to the extent permitted by the CBCA and otherwise by law. The present by-laws provide that every director and officer shall be indemnified against all liabilities and costs sustained or incurred in any claim made against him for anything he has done or failed to do in the course of his duties and all other liabilities and costs sustained or incurred in the affairs of the Company, except such as are occasioned by his own wilful neglect or default or for penalties imposed under the Railway Act.

Under the new by-law, all previous by-laws of the Company would be repealed, other than By-law Nos. 47 and 49, which would continue to apply with modifications to conform to the CBCA. By-law No. 47 relates to the consolidated debenture stock of the Company. It was enacted pursuant to the Company's 1889 Special Act, which authorized such stock and provided that the Company would make by-laws prescribing, among other things, the amounts in which it would be issued, the rates of interest thereon, the dates and places at which interest would be payable and provisions for registration and transfer. The Act stated that such by-laws shall form the basis of the issue of the debenture stock and shall not be altered in any matter affecting the interests of the holders of the debenture stock otherwise than as therein provided. By-law No. 49 relates to the preference stock of the Company and contains provisions similar to provisions in By-law No. 47.

The new by-law would be stated not to affect the continued operation of the Traffic Rules and Regulations known as By-law No. 99 of the Company.

With the new by-law, it is contemplated that various matters covered by the present by-laws would be dealt with by resolutions of the directors. These include provisions for regular monthly meetings of the directors, for the designation of officers and specification of their duties, for securities registers, for the form of the corporate seal and for share certificates.

The Board of Directors believes that new By-law No. 1 is conducive to flexibility of action in the future and unanimously recommends that shareholders vote for its approval and confirmation.

The approval and confirmation of By-law No. 1 requires a resolution passed by a majority of the votes cast by the holders of the ordinary and preference stock present or represented at the meeting and voting together thereon.

Other Business

The management does not know of any matter to come before the meeting other than those described herein.

A COPY OF THE COMPANY'S FORM 10-K FILED WITH THE SECURITIES AND EXCHANGE COMMISSION WILL BE PROVIDED WITHOUT CHARGE ON WRITTEN APPLICATION TO THE VICE-PRESIDENT AND SECRETARY AT THE ADDRESS SHOWN FOR THE EXECUTIVE OFFICES OF THE COMPANY APPEARING ON THE FRONT PAGE OF THIS INFORMATION STATEMENT.

By order of the Board,
J.C. Ames, Vice-President and Secretary.
Montreal, March 12th, 1984.

SCHEDULE I
Canadian Pacific Limited
Special Resolution of Shareholders

RESOLVED as a special resolution that:

- (1) The directors of the Company are hereby authorized pursuant to section 261 of the Canada Business Corporations Act (the “Act”) to apply under section 181 of the Act for a certificate of continuance.
- (2) The articles of continuance of the Company, a copy of which was scheduled to the Information Statement containing the notice of this meeting, are hereby approved with such technical amendments, deletions or alterations as may be deemed necessary or advisable by the Chairman and Chief Executive Officer or the President in order to assure compliance with the provisions of the Act or the requirements of the Director thereunder.
- (3) The charter of the Company is hereby amended, effective as of the date of the said certificate of continuance, as set forth in the said articles of continuance.
- (4) The proper officers of the Company are hereby authorized to sign and deliver for and on behalf of the Company the said articles of continuance and to sign and deliver such other notices and documents and to do such other acts and things as may be considered necessary or desirable to continue the Company under the Act and to give effect to this special resolution.

SCHEDULE II

CANADA BUSINESS
CORPORATIONS ACT



LOI SUR LES SOCIÉTÉS
COMMERCIALES CANADIENNES

FORM 11

FORMULE 11

ARTICLES OF CONTINUANCE
(SECTION 181)

CLAUSES DE PROROGATION
(ARTICLE 181)

1 — Name of Corporation	Dénomination de la société
Canadian Pacific Limited	Canadien Pacifique Limitée
2 — The place in Canada where the registered office is to be situated	Lieu au Canada où doit être situé le siège social
City of Montreal, Quebec	
3 — The classes and any maximum number of shares that the corporation is authorized to issue	Catégories et tout nombre maximal d'actions que la société est autorisée à émettre
The annexed Schedule "A" is incorporated in this form	
4 — Restrictions if any on share transfers	Restrictions sur le transfert des actions s'il y a lieu.
Not applicable	
5 — Number (or minimum and maximum number) of directors	Nombre (ou nombre minimum et maximum) d'administrateurs
The minimum number of directors shall be 3 and the maximum number shall be 24	
6 — Restrictions if any on businesses the corporation may carry on	Limites imposées quant aux activités que la société peut exploiter, s'il y a lieu.—
Not applicable	
7 — (1) If change of name effected, previous name (1) Si changement de dénomination, dénomination antérieure	(2) Details of incorporation (2) Détails de la constitution
Not applicable	The annexed Schedule "B" is incorporated in this form
8 — Other provisions if any	Autres dispositions s'il y a lieu
The annexed Schedule "C" is incorporated in this form	

Date	Signature	Description of Office — Description du poste

FOR DEPARTMENTAL USE ONLY

À L'USAGE DU MINISTÈRE SEULEMENT

Corporation No. — N° de la société

Filed — Déposée

**SCHEDULE “A” to the Articles of Continuance of
Canadian Pacific Limited — Canadien Pacifique Limitée**

SHARES

The Corporation is authorized to issue

- 1) 100,000,000 Ordinary Shares without nominal or par value,
- 2) a number of Preference Shares without nominal or par value such that the amount of preference stock outstanding may equal but shall not exceed at any time $\frac{1}{2}$ the aggregate amount of the ordinary stock then outstanding and that the authorized capital of the Corporation shall be decreased by preference stock of the Corporation surrendered in consideration of preferred shares of the Corporation and cancelled prior to its continuance under the Canada Business Corporations Act, for such purpose each Canadian Dollar Preference Share and each Sterling Preference Share being deemed to be the equivalent of \$3 and £1 respectively of preference stock and each Ordinary Share being deemed to be the equivalent of \$5 of ordinary stock, and
- 3) a number of cumulative redeemable Preferred Shares without nominal or par value issuable in series equal to 25,000,000 less the number of $7\frac{1}{4}\%$ Cumulative Redeemable Preferred Shares, Series A of the Corporation redeemed or purchased for cancellation prior to its continuance under the Canada Business Corporations Act.

1. Ordinary Shares

The Ordinary Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- a) The holders of the Ordinary Shares are entitled to vote at any meeting of shareholders of the Corporation except at separate meetings of or on separate votes by the holders of another class or series of shares.
- b) The holders of the Ordinary Shares are entitled to receive any dividend declared by the Corporation except dividends declared on another class or series of shares.
- c) Subject to the rights of the holders of the shares of other classes, the holders of the Ordinary Shares shall be entitled to receive the remaining property of the Corporation on dissolution.

2. Preference Shares

The Preference Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- a) Preference Shares heretofore or hereafter issued either in Canadian or United States currency or Sterling money of Great Britain may, at the request or with the consent of any holder of any such Preference Shares, be converted or reconverted by the Corporation from one into another of the said currencies or money on such terms as the directors of the Corporation may from time to time prescribe. Preference Shares issued in Canadian currency shall be designated Canadian Dollar Preference Shares and Preference Shares issued in Sterling money of Great Britain shall be designated Sterling Preference Shares.
- b) The voting rights attached to the Preference Shares shall be that every Canadian Dollar Preference Share and every Sterling Preference Share shall give the same rights as to voting as are given by an Ordinary Share.
- c) As to dividends the Preference Shares shall take priority over Ordinary Shares up to, but not exceeding 4% per annum, being \$0.12 per Canadian Dollar Preference Share per annum and £0.04 per Sterling Preference Share per annum, and shall not receive at any time a dividend at a higher rate than 4% per annum or in excess of these amounts. Dividends on the Preference Shares shall not be cumulative and if for any period or periods the dividends on such Preference Shares be less than 4% per annum, being \$0.12 per Canadian Dollar Preference Share per annum or £0.04 per Sterling Preference Share per annum, the deficiency or any part of it shall not be made good afterwards. A holder of a fraction of a Preference Share is entitled to receive a dividend in respect of that fraction.
- d) No Preference Shares shall affect the lien created by any mortgage, debenture or bond issued by the Corporation.
- e) The rights of the holders of the Preference Shares on dissolution shall be determined on the basis of the provisions applicable to the preference stock of the Corporation immediately preceding its continuance under the Canada Business Corporations Act and in accordance with the provisions applicable to the other classes of shares of the Corporation and for that purpose each Canadian Dollar Preference Share shall be

SCHEDULE "A" (continued)

SHARES (continued)

2. Preference Shares (continued)

deemed to be \$3 of such preference stock and each Sterling Preference Share shall be deemed to be £1 of such preference stock and the provisions applicable to the Ordinary Shares and the Preferred Shares shall be deemed to be those applicable to the ordinary stock and the preferred shares respectively of the Corporation immediately preceding such continuance.

3. Preferred Shares

The Preferred Shares shall have attached thereto as a class, the following rights, privileges, restrictions and conditions; and reference to one class or a series of shares ranking on a parity with another class or series of shares shall mean ranking on a parity with respect to payment of dividends:

- a) **Preferred Shares Issuable in Series.** The Preferred Shares may be issued from time to time in one or more series of such numbers of shares, with such designations and with such rights, privileges, restrictions and conditions attaching thereto as shall be prescribed hereby or from time to time before issuance by any resolution or resolutions providing for the issue of any series which may be passed by the directors of the Corporation.
- b) **Each Series of Preferred Shares to Rank on a Parity With Other Series.** The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series, provided, however, that when in the case of any of such shares any fixed cumulative dividends are not paid in full in accordance with their respective terms, the Preferred Shares of all series shall participate ratably in respect of the dividends to be paid in respect of all Preferred Shares (including all unpaid accumulated dividends which for such purpose shall be calculated as if the same were accruing up to the date of payment) in accordance with the sums which would be payable thereon if all such dividends were declared and paid in full in accordance with their respective terms.
- c) **Preference as to Dividends.** The Preferred Shares shall be entitled to preference over the Ordinary Shares, and any other shares of the Corporation ranking junior to the Preferred Shares, with respect to priority in payment of dividends and may also be given such other preferences over the Ordinary Shares and any other shares of the Corporation ranking junior to the said Preferred Shares as may be fixed in the case of each such series; provided that no dividend shall at any time be declared or paid or set apart for payment on any of the Preferred Shares unless the dividend for the then current half-year on the Preferred Shares of the Corporation shall have been declared and paid or funds for the payment thereof set apart.
- d) **Purchase for Cancellation.** Subject to the provisions of the Canada Business Corporations Act and to the provisions relating to any particular series of Preferred Shares, the Corporation may at any time or times purchase (if obtainable) for cancellation the whole or any part of the Preferred Shares of any series outstanding from time to time in the market upon any recognized stock exchange if listed or dealt in by the members thereof, or by invitation for tenders addressed to all the holders of record of the said series of Preferred Shares outstanding at the lowest price or prices at which in the opinion of the directors such shares are then obtainable but such price or prices shall not in any case exceed the redemption price current at the time of purchase for the shares of the particular series purchased plus costs of purchase together with an amount equivalent to all unpaid accumulated dividends which for such purpose shall be calculated as if the preferential dividends were accruing up to the date of purchase. If upon any invitation for tenders under the provisions of this paragraph Preferred Shares of a series are tendered to the Corporation in excess of the number of Preferred Shares of such series which the Corporation is prepared to purchase then the Preferred Shares of such series to be purchased by the Corporation shall be purchased as nearly as may be pro rata to the number of shares of such series tendered by each shareholder who submits a tender to the Corporation, provided that when shares are tendered at different prices, the prorating shall be effected with respect to the shares in each price range successively commencing with the shares offered at the lowest price.
- e) **Redemption.** Subject to the provisions of the Canada Business Corporations Act and except in the case of shares purchased on the market or by invitation for tenders as aforesaid and subject to the provisions relating to any particular series, the Corporation may at any time or times redeem the whole or any part of the Preferred Shares of any series by giving to each person who at the date of giving such notice is the holder of Preferred Shares to be redeemed at least 30 days' notice in writing of the intention of the Corporation to redeem such Preferred Shares. Such notice shall be given by posting the same in a postage paid registered letter addressed

SCHEDULE "A" (continued)

SHARES (continued)

3. Preferred Shares (continued)

to each holder of such Preferred Shares to be redeemed at the last address of such shareholder as it appears on the books of the Corporation; provided, however, that accidental failure to give such notice to 1 or more of such holders shall not affect the validity of such redemption as to the other holders, but upon such failure being discovered notice shall be given forthwith and shall have the same force and effect as if given in due time. Such notice shall set out the number of Preferred Shares held by the person to whom it is addressed which are to be redeemed and the series thereof and the redemption price. Such notice shall also set out the date on which redemption is to take place, and on and after the date so specified for redemption the Corporation shall pay or cause to be paid to the holders of such Preferred Shares to be redeemed the redemption price of such shares on such redemption date on presentation and surrender, at the registered office of the Corporation or at any other place or places within Canada designated by such notice, of the certificate or certificates for such Preferred Shares so called for redemption. From and after the date specified in any such notice, the Preferred Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of such redemption price shall not be duly made by the Corporation upon presentation and surrender of the certificates in accordance with the foregoing provisions. The Corporation may include in such notice a statement that the money required for the payment of the redemption price has been deposited or will be deposited at the opening of business on the date of redemption or on a specified date prior to such date with a specified chartered bank or banks in trust for the respective holders of such shares to be paid to them respectively upon surrender to such bank or banks of the certificate or certificates representing the same, and upon such deposit or deposits being made such shares shall be deemed to be redeemed and all rights of the holders of such shares as against the Corporation shall be limited to receiving the amount so deposited without interest, and such holders shall cease to be entitled to dividends or to exercise any rights as holders of such Preferred Shares so redeemed. In case a part only of the Preferred Shares of any particular series is at any time to be redeemed, the shares so to be redeemed shall be selected by lot, in single shares or in units of 10 shares or less, in such manner as the directors in their sole discretion shall by resolution determine. If a part only of the Preferred Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued.

- f) **Payment on Reduction of Capital.** In the event of any reduction of the capital of the Corporation, the holders of the Preferred Shares shall be entitled to receive, in priority to any payment of capital to the holders of the Ordinary Shares or any other shares of the Corporation ranking junior to the Preferred Shares, an amount equal to the redemption price that such holders would have received if their shares had been redeemed pursuant to the preceding paragraph hereof on the effective date of such reduction of capital, but shall have no further right to participate in the profits or assets of the Corporation.
- g) **No Voting Rights Except as Specified.** Holders of Preferred Shares shall not have any voting rights and shall not be entitled to receive any notice of or attend any meeting of the shareholders of the Corporation except:
 - i) the right to attend and vote at general meetings on any question directly affecting any of the rights or privileges attached to the Preferred Shares and in that case there shall be 1 vote for each share; but no change adversely affecting the rights or privileges of any series of Preferred Shares shall be made unless sanctioned by at least $\frac{2}{3}$ of the votes cast at a special meeting of the holders of the issued and outstanding Preferred Shares of such series duly called for considering the same; and
 - ii) if and whenever the Corporation shall be in default in paying dividends on the Preferred Shares and such default shall have continued for 2 years or more, whether or not such dividends are earned or declared, then and so long thereafter as any dividend remains in arrears, the holders of Preferred Shares shall be entitled as a class to elect 3 members of the board of directors of the Corporation.
- h) **Dissolution.** The rights of the holders of the Preferred Shares on dissolution shall be determined on the basis of the provisions applicable to the preferred shares of the Corporation immediately preceding its continuance under the Canada Business Corporations Act and in accordance with the provisions applicable to the other classes of shares of the Corporation and for that purpose each Preferred Share shall be deemed to be 1 such preferred share and the provisions applicable to the Ordinary Shares and the Preference Shares shall be deemed to be those applicable to the ordinary stock and the preference stock respectively of the Corporation immediately preceding such continuance.

SCHEDULE "A" (continued)

SHARES (continued)

Preferred Shares, Series A

The first series of Preferred Shares of the Corporation consists of a number of shares designated "7¼% Cumulative Redeemable Preferred Shares, Series A" (hereinafter referred to as the "Series A Preferred Shares") equal to 5,600,000 less the number of 7¼% Cumulative Redeemable Preferred Shares, Series A of the Corporation redeemed or purchased for cancellation prior to its continuance under the Canada Business Corporations Act, which Series A Preferred Shares shall have attached thereto as a series the following rights, privileges, restrictions and conditions in addition to those attaching to the Preferred Shares as a class:

- aa) **Dividends.** The holders of the Series A Preferred Shares shall be entitled to receive and the Corporation shall pay to them as and when declared by the directors out of the moneys of the Corporation properly applicable to the payment of dividends, by cheque of the Corporation payable at par at any branch in Canada of the Corporation's bankers for the time being fixed preferential cumulative cash dividends in the amount of 72.5 cents per share per annum which shall accrue and be cumulative from January 1, 1972, and shall be payable semi-annually on the 28th days of January and July.

The holders of the Series A Preferred Shares shall not be entitled to any dividends other than or in excess of the fixed preferential cumulative cash dividends herein provided for.

If on any dividend payment date, the Corporation shall not have paid dividends in full on all Preferred Shares then outstanding, such dividends or the unpaid part thereof shall be paid on a subsequent date or dates in priority to dividends on any other shares of the Corporation, and no dividends shall be declared or paid on or set apart for any such other shares unless all unpaid accumulated dividends on the Preferred Shares then outstanding shall have been declared and paid or provided for at the date of such declaration or payment or setting apart; provided that no dividend shall at any time be declared or paid or set apart for payment on any of the Preferred Shares unless the dividend for the then current half-year on the Preference Shares of the Corporation shall have been declared and paid or funds for the payment thereof set apart.

- bb) **Redemption.** Subject to the provisions of the Canada Business Corporations Act, the Corporation shall have the right to redeem the whole or from time to time any lesser number of the Series A Preferred Shares then outstanding on payment for each share to be redeemed of \$10, without premium, together with an amount equal to all accrued and unpaid dividends on such Series A Preferred Shares, whether or not earned or declared, which dividends for such purpose shall be treated as accruing to the date of redemption, the whole constituting the redemption price.

- cc) **Purchase Fund.** So long as any of the Series A Preferred Shares are outstanding the Corporation shall on January 1 in each year commencing in the year 1972 enter on its books to the credit of a purchase fund an amount of \$2,000,000 to be used for the purchase of Series A Preferred Shares in such year, provided that:

- i) if on the 31st day of December in the preceding year there shall remain at the credit of the purchase fund (after giving effect to any outstanding commitments for the purchase of Series A Preferred Shares) an amount which the Corporation has not been obligated by the provisions of this paragraph (cc) to apply to the purchase of Series A Preferred Shares, such amount may be applied in reduction of the amount which the Corporation would otherwise be required by the foregoing provisions of this paragraph to credit to the purchase fund on such 1st day of January; and
- ii) the cost of Series A Preferred Shares theretofore redeemed or purchased by the Corporation otherwise than by application of moneys at the credit of the purchase fund may be applied at the option of the Corporation, in whole or in part at any time and from time to time to the extent not theretofore so applied, to the reduction of the amount at the credit of the purchase fund.

The amount from time to time at the credit of the purchase fund shall be applied by the Corporation with reasonable despatch to the purchase of Series A Preferred Shares to the extent available in the market upon any recognized stock exchange if listed or dealt in by the members thereof at the lowest price or prices at which in the opinion of the directors such shares are then obtainable and the purchase fund shall be reduced by the amount so applied, provided that

- A) the Corporation shall not be obligated to purchase such shares at a price in excess of \$10.00 per share plus reasonable costs of purchase.

SCHEDULE “A” (continued)

SHARES (continued)

Preferred Shares, Series A (continued)

- B) the Corporation shall not be obligated to purchase such shares if and so long as such purchase would be contrary to any applicable law.

Any amount or amounts credited to the said purchase fund need not be kept separate from the other moneys of the Corporation and pending the application thereof as hereinbefore provided may be employed in the business of the Corporation.

- dd) **Purchase for Cancellation.** Any purchases of Series A Preferred Shares for cancellation shall be made pursuant to paragraph d) of the conditions relating to the Preferred Shares as a class.
- ee) **Authorization by Holders of Series A Preferred Shares.** No deletion or variation of any rights, privileges, restrictions or conditions attaching to the Series A Preferred Shares as a series shall be made by the Corporation without, but may be made with, the authorization of the holders of the Series A Preferred Shares; the authorization of the holders of the Series A Preferred Shares may be given by at least $\frac{2}{3}$ of the votes cast at a meeting of the holders of the outstanding Series A Preferred Shares duly called for that purpose upon at least 21 days' notice; each holder of a Series A Preferred Share shall be entitled to 1 vote at any such meeting in respect of each Series A Preferred Share held and the presence in person or by proxy of the holders of at least 20% of the Series A Preferred Shares then outstanding shall constitute a quorum for any such meeting; provided that if at any such meeting a quorum is not present within 30 minutes after the time appointed for such meeting it shall be adjourned to such date not less than 15 days thereafter and to such time and place as may be designated by the chairman of the meeting and not less than 7 days' notice shall be given of such adjourned meeting; at such adjourned meeting the holders of Series A Preferred Shares present or represented by proxy shall constitute a quorum and a resolution passed by at least $\frac{2}{3}$ of the votes cast at such adjourned meeting shall constitute the authorization of the holders of the Series A Preferred Shares; subject to the foregoing, every such meeting shall be called and held in accordance with the by-laws of the Corporation.

SCHEDULE “B” to the Articles of Continuance of Canadian Pacific Limited — Canadien Pacifique Limitée

Incorporated by Letters Patent bearing date the 16th day of February, 1881, issued by His Excellency the Governor General of Canada under the Great Seal of Canada pursuant to an Act of the Parliament of Canada being Statutes of Canada (1881), 44 Victoria, Chapter 1 assented to on the 15th day of February, 1881, together with amending and supplementary Acts and Letters Patent.

SCHEDULE “C” to the Articles of Continuance of Canadian Pacific Limited — Canadien Pacifique Limitée

1. The provisions of the charter of the Corporation including its Act of Incorporation and all amendments thereto and its Letters Patent and all Letters Patent supplementary thereto (hereinafter referred to in this Schedule as the “Charter”) continue to apply amended as required to conform to the Canada Business Corporations Act, except as otherwise provided herein and as to matters provided for by that Act, provided that these articles shall not make any amendment to the Charter of the nature referred to in subsection 170(1) of that Act that affects the preference stock or preferred shares of the Corporation other than an amendment required to conform to that Act.
2. Ordinary Shares may be issued in such amounts and at such times and to such persons and for such consideration and for such purposes as the directors may from time to time determine.
3. The directors of the Corporation shall each hold at least 2,000 Ordinary Shares of the Corporation.

SCHEDULE "C" (continued)

4. The directors may issue Preference Shares for any purpose involving the raising of new capital, the expenditure of which shall have been previously authorized by the shareholders at an annual or special meeting, in such portions, at such times, and at such prices respectively as the directors may from time to time by resolution determine.
5. The Corporation may, if the directors so determine, issue Preference Shares which it has been or may be at any time empowered to issue either in Canadian or United States currency or Sterling money of Great Britain.
6. The Corporation may at any time and from time to time on such terms and conditions as the directors of the Corporation may from time to time prescribe issue any of the Preferred Shares of the Corporation in consideration of the surrender of any Preference Shares of the Corporation, provided that what would be the par value of any such Preferred Shares so issued if each of them were a preferred share having a par value of \$10 shall not exceed what would be the par value of the Preference Shares so surrendered, for such purpose each Canadian Dollar Preference Share and each Sterling Preference Share being deemed to be \$3 and £1 respectively of preference stock. Any Preference Shares so surrendered shall be cancelled and the authorized and issued capital of the Corporation shall be thereby decreased.
7. When, in accordance with any right of redemption or purchase for cancellation reserved in favour of the Corporation in the provisions attaching to them, Preferred Shares are redeemed or purchased for cancellation, they shall thereby be cancelled and the authorized and issued capital of the Corporation shall thereby be decreased.
8. Except to the extent otherwise required by the Canada Business Corporations Act, Preference Shares and Preferred Shares shall be issued in accordance with the provisions applicable to the preference stock and preferred shares respectively of the Corporation immediately preceding its continuance under the Canada Business Corporations Act and for such purpose each Canadian Dollar Preference Share shall be deemed to be \$3 of such preference stock, each Sterling Preference Share shall be deemed to be £1 of such preference stock and each Preferred Share shall be deemed to be 1 such preferred share.
9. The Corporation may continue to issue consolidated debenture stock and bonds, debentures or other securities collateral to or in lieu of any consolidated debenture stock as contemplated by the Charter amended as aforesaid. Except to the extent required to conform to the Canada Business Corporations Act and as otherwise provided herein, no security or security interest heretofore outstanding shall be affected by the continuance of the Corporation.
10. The holders of shares of a class or series shall not be entitled to vote separately as a class or series pursuant to section 170 of the Canada Business Corporations Act upon a proposal to amend the articles to:
 - a) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class,
 - b) effect an exchange, reclassification or cancellation of all or part of the shares of such class, or
 - c) create a new class of shares equal or superior to the shares of such class;provided, however, that this section shall not be interpreted as affecting any right to vote that is conferred by the Charter.
11. Upon issuance of a certificate of continuance continuing the Corporation under the Canada Business Corporations Act,
 - a) each \$5 share of ordinary stock shall constitute 1 Ordinary Share,
 - b) each \$3 of preference stock theretofore denominated in Canadian currency shall constitute 1 Canadian Dollar Preference Share and each £1 of preference stock theretofore denominated in Sterling money of Great Britain shall constitute 1 Sterling Preference Share, provided that fractional Preference Shares shall be issued for amounts of preference stock of less than \$3 or £1, and
 - c) each 7¼% Cumulative Redeemable Preferred Share, Series A shall constitute 1 Series A Preferred Share.
12. The Corporation shall continue to have, hold and enjoy all rights, licences, franchises, powers, privileges, authorities and immunities heretofore granted to or conferred upon it by law or contract.

SCHEDULE III

BY-LAW NO. 1

A by-law regulating generally the transaction of the business and affairs of Canadian Pacific Limited/Canadien Pacifique Limitée

Section One

INTERPRETATION

- 1.01 **Definitions.** In this by-law, which may be cited as the General By-law, unless the context otherwise requires:
- “Act” means the Canada Business Corporations Act, and any statute that may be substituted therefor, as from time to time amended;
- “Board” means the Board of Directors of the Corporation;
- “Corporation” means the corporation continued under the Act by certificate of continuance in the name of Canadian Pacific Limited/Canadien Pacifique Limitée;
- “meeting of shareholders” means any meeting of shareholders including an annual meeting;
- “non-business day” means Saturday, Sunday and any other day that is a holiday as defined in the Interpretation Act (Canada);
- “recorded address” means in the case of a shareholder his address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are two or more; and in the case of a director, officer or auditor, his latest address as recorded in the records of the Corporation.
- 1.02 **Construction.** Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

Section Two

MEETINGS OF SHAREHOLDERS

- 2.01 **Meetings of Shareholders.** Unless the Board otherwise determines, the annual meeting of shareholders shall be held on the first Wednesday of May in each year. The Board, the Chairman or the President may call a meeting of shareholders, other than an annual meeting of shareholders, at any time.
- 2.02 **Chairman, Secretary and Scrutineers.** The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers who is present at the meeting: the Chairman, the President or a Vice-President who is a director of the Corporation. If no such officer is present within fifteen minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to act as chairman. The secretary of any meeting of shareholders shall be the Secretary of the Corporation. If the Secretary is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. The chairman may appoint one or more persons who need not be shareholders to act as scrutineers at the meeting.
- 2.03 **Persons Entitled to be Present.** The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors, the auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or the General By-law to be present. Any other person may be admitted with the consent of the meeting or of the chairman of the meeting.

SCHEDULE III (continued)

Section Two (continued)

MEETINGS OF SHAREHOLDERS (continued)

- 2.04 **Quorum.** Except as otherwise provided in the articles of the Corporation, a quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder for such a shareholder and together holding or representing by proxy not less than 25% of the outstanding shares of the Corporation entitled to be voted at the meeting.

Section Three

DIRECTORS

- 3.01 **Number of Directors.** Subject to the articles, the number of directors of the Corporation may be fixed from time to time by resolution of the Board.
- 3.02 **Term of Office.** Each director shall be elected to hold office for a stated term commencing at the close of the annual meeting of shareholders at which he is elected and ending at the close of the third annual meeting of shareholders following his election unless a term of shorter duration is stated at the time of his election. If no term is stated a director shall cease to hold office at the close of the first annual meeting of shareholders following his election.
- 3.03 **Qualification of Directors.** In addition to the disqualifications provided for in the Act, no person shall be elected or appointed a director if he exceeds the age of seventy years. A director ceases to hold office (a) when he ceases to be qualified as a director under the articles, (b) should he be a salaried officer of the Corporation other than the Chairman or the President, when he ceases to be a salaried officer of the Corporation or (c) at the close of the annual meeting of shareholders next held following the date on which he reaches the age of seventy years.
- 3.04 **Quorum.** A majority of the directors shall form a quorum of the Board.
- 3.05 **Meeting Following Annual Meeting.** The Board shall meet without notice as soon as practicable after each annual meeting of shareholders to transact such business as may come before the meeting and to appoint by election from among their number:
- (a) the Chairman, who may also be appointed President;
 - (b) the President;
 - (c) a Vice-President, if the Chairman is the same person as the President; and
 - (d) the members of the Executive Committee.
- 3.06 **Other Meetings of the Board.** Meetings of the Board shall be held from time to time at a time and place determined by the Board, the Chairman, the President, a Vice-President who is a director of the Corporation or any two directors.
- 3.07 **Notice of Meeting.** Subject to any resolution of the Board, notice of the time and place of each meeting of the Board requiring notice shall be given in the manner provided in section 9.01 to each director not less than two clear days (excluding non-business days) before the date on which the meeting is to be held.
- 3.08 **Chairman.** The chairman of any meeting of the Board shall be the first mentioned of such of the following officers who is present at the meeting: the Chairman, the President or a Vice-President who is a director of the Corporation. If no such officer is present, the directors present shall choose one of their number to act as chairman.

SCHEDULE III (continued)

Section Three (continued)

DIRECTORS (continued)

- 3.09 **Votes to Govern.** At all meetings of the Board, every question shall be decided by a majority of the votes cast. The chairman of any meeting may vote as a director and, in the event of an equality of votes, the chairman shall be entitled to a second or casting vote.
- 3.10 **Remuneration.** No director who is a salaried officer of the Corporation shall be entitled to any remuneration for the performance of his duties as a director. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

Section Four

EXECUTIVE COMMITTEE

- 4.01 **Executive Committee.** The Executive Committee shall consist of not more than eight directors, inclusive of the Chairman and the President, and a majority of the members shall constitute a quorum for the transaction of business. The Executive Committee shall meet at the call of the Chairman, the President, a Vice-President who is a director of the Corporation and a member of the Executive Committee, or two members of the Executive Committee, at such times and at such places as the person calling the meeting may determine. The chairman of any meeting of the Executive Committee shall be the first mentioned of such of the following members who is present: the Chairman, the President or a Vice-President who is a director of the Corporation. If no such officer is present, the Executive Committee shall choose one of their number to act as chairman. The Executive Committee shall be vested with all the powers of the Board during the interval between meetings thereof, except those powers which, under the Act, a committee of directors may not exercise. All acts and proceedings of the Executive Committee shall be reported to the Board at the next meeting thereof.

Section Five

THE TRANSACTION OF BUSINESS

- 5.01 **Execution of Instruments.** All instruments and documents of whatsoever kind may be signed on behalf of the Corporation by two persons, one of whom is the Chairman, the President, a Vice-President or a director of the Corporation and the other of whom is the Secretary, the Treasurer, the Deputy Secretary, an Assistant Secretary or an Assistant Treasurer. The Board may from time to time determine the manner in which and the person or persons by whom any particular instrument or document or class of instruments or documents may or shall be signed, including the use of facsimile reproduction of any or all signatures and the use of the corporate seal or a facsimile reproduction thereof.
- 5.02 **Cheques.** All cheques upon the bank or banks where the funds of the Corporation are kept shall be drawn payable to the order of the party entitled to the payment to be made, which cheques, notwithstanding section 5.01, shall be signed by the Treasurer, or by an Assistant Treasurer, or by such other person as may be appointed by the Board, and countersigned by the President, or by a Vice-President, or by some other person authorized by the Board so to do. The Board may from time to time authorize the signing and countersigning of cheques by means of the facsimile signature of any of the persons authorized to sign or countersign cheques.

SCHEDULE III (continued)

Section Six

DIVIDENDS

- 6.01 **Dividends.** The Board may from time to time declare dividends payable to shareholders according to their respective rights.
- 6.02 **Dividend Payment.** A dividend payable in money may be paid by cheque drawn on the Corporation's bankers, or one of them, to the order of each registered holder of shares of a class or series in respect of which the dividend has been declared, and mailed by prepaid ordinary mail to such registered holder at his recorded address. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The Corporation may pay a dividend by cheque to a registered holder or to joint holders other than in the manner herein set out, if the registered holder or joint holders so request. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.
- 6.03 **Idem.** The Corporation may, when so directed by a registered holder of a share in respect of which a dividend in money has been declared, pay the dividend in the manner so directed.
- 6.04 **Non-receipt or Loss of Dividend Cheques.** In the event of non-receipt or loss of any dividend cheque by the person to whom it is sent, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt or loss and of entitlement as the Board, the Vice-President in charge of finance or the Treasurer may from time to time prescribe, whether generally or in a particular case.

Section Seven

BORROWING AND RELATED POWERS

- 7.01 **Borrowing and Related Powers.** The Board may, without authorization of the shareholders,
- (a) borrow money upon the credit of the Corporation;
 - (b) issue, reissue, sell or pledge debt obligations of the Corporation;
 - (c) subject to the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
 - (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

The Board may, by resolution, delegate the powers referred to in this section to a director, a committee of directors or an officer.

Section Eight

PROTECTION OF DIRECTORS AND OFFICERS

- 8.01 **Limitation of Liability.** No director or officer shall be liable for the acts, receipts, neglects or defaults of any other director, officer, employee or agent, or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by, for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be placed out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage

SCHEDULE III (continued)

Section Eight (continued)

PROTECTION OF DIRECTORS AND OFFICERS (continued)

resulting from any dealings with any moneys, securities or other assets belonging to the Corporation, or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

- 8.02 **Indemnity.** The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, to the extent permitted by the Act or otherwise by law.

Section Nine

NOTICES

- 9.01 **Method of Giving Notices.** Any notice, which term includes any communication or document, to be given, which term includes sent, delivered or served, pursuant to the Act, the regulations thereunder, the articles, the General By-law or otherwise, to a shareholder, director, officer or auditor shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary or air mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch.
- 9.02 **Omissions and Errors.** The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting to which the notice related.
- 9.03 **Persons Entitled by Death or Operation of Law.** Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, becomes entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register.
- 9.04 **Waiver of Notice.** A shareholder, proxyholder, director, officer or auditor may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations thereunder, the articles, the General By-law or otherwise and such waiver or abridgment, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default or defect in the giving or in the time of such notice, as the case may be. Any such waiver or abridgment shall be in writing except a waiver of notice of a meeting of shareholders or of the Board or of a committee of the Board which may be given in any manner.

SCHEDULE III (continued)

Section Ten

TRANSITIONAL

- 10.01 **Directors.** Nothing in the General By-law shall operate to reduce the term of office of any director in office prior to the continuance of the Corporation under the Act. Notwithstanding section 3.02 and subject to the Act, of the number of directors to be elected at the first annual meeting of shareholders following the continuance of the Corporation under the Act, at least one-third shall be elected for a term expiring at the close of the third annual meeting of shareholders following their election, at least one-third for a term expiring at the close of the second such annual meeting, and the remainder for a term expiring at the close of the first such annual meeting.
- 10.02 **Effect of Repeal.** All persons appointed or elected under any by-law repealed on the coming into force of the General By-law shall continue to act until ceasing to hold office or until re-appointed or re-elected and all resolutions of the shareholders or the Board having continuing effect and passed under any repealed by-law or otherwise shall continue to be operative until amended or repealed except to the extent that they are inconsistent with the General By-law.

Section Eleven

EFFECTIVE DATE AND REPEAL

- 11.01 **Effective Date.** The General By-law shall come into force on the date of issue of a certificate of continuance continuing Canadian Pacific Limited/Canadien Pacifique Limitée as a corporation under the Act.
- 11.02 **Repeal.** All previous by-laws of the Corporation (other than By-laws numbered 47 and 49 relating to Consolidated Debenture Stock and Preference Stock, respectively, the provisions of which shall continue to apply, mutatis mutandis so as to conform to the Act) are repealed on the coming into force of the General By-law.
- 11.03 **Declaratory.** The enactment of the General By-law shall in no wise affect the continued operation of certain Traffic Rules and Regulations, referred to as By-law No. 99 of the Corporation, as approved by the Governor in Council pursuant to the provisions of the Railway Act.

MADE this 12th day of March, 1984.

WITNESS the corporate seal of the Corporation.

"F.S. Burbidge"

Chairman and Chief
Executive Officer

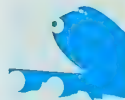
"J.C. Ames"

Vice-President and
Secretary

c/s

103rd Annual
and Special
General Meeting
of Shareholders

Report of
Proceedings
May 2, 1984





Report of the Proceedings of the One Hundred and Third Annual and Special General Meeting of the Shareholders held at Montreal on Wednesday, May 2, 1984.

The meeting assembled in accordance with the convening notice at 11:00 a.m., Montreal time, in Le Château Champlain, at Montreal.

In accordance with the requirements of the by-laws of the Company, the Chairman of the Company, Mr. F.S. Burbidge, presided and the Vice-President and Secretary of the Company acted as secretary of the meeting.

With the approval of the meeting, the Chairman named Mr. R.E. Francis and Mr. John A. Moore, both employees of The Royal Trust Company, to act as scrutineers.

The Chairman paid tribute to Mr. J.C. Ames, Vice-President and Secretary, who, because of his retirement later this year after more than forty-seven years of service with the Company, was participating in his twelfth and last annual meeting of shareholders.

The Chairman introduced members of the Board of Directors and referred to the retirement from the Board at this meeting of Mr. Kenneth A. White. He and the shareholders acknowledged Mr. White's significant contribution to the affairs of the Company over his more than 10-year tenure as a director of the Company. He then informed the meeting that The Hon. Ian D. Sinclair, O.C., Q.C. will also not stand for re-election as a director of the Company. With respect to Mr. Sinclair, he spoke as follows:

“Ian succeeded a former Chairman of the Company, the late W.A. Mather, as a director on February 13, 1961, more than 23 years ago. Therefore, he has been a director for well over half of his 42-year career with Canadian Pacific – rather a unique achievement. Today, he is terminating his formal association with the Company. Nevertheless, I am sure he will continue to follow its ongoing affairs with interest. I spoke at some length about Ian's outstanding contribution to Canadian Pacific at our Annual Meeting three years ago when he stepped down as Chairman and Chief Executive Officer. However, I do not want his departure from the Board to pass without again having the shareholders recognize the significance of his career with Canadian Pacific. A couple of weeks ago approximately 350 of Ian's friends inside and outside the Company held a dinner for him in

Toronto. It was a great evening. I would just like to repeat something I said at that dinner which I think sums up Ian's career:

'His determination, his skill, his insight, his contacts and his drive all combined to make his days in Canadian Pacific a time of incredible achievement – a truly lasting accomplishment.'

We were all delighted to learn a few months ago of his appointment to the Senate – a fitting honour and an opportunity for him to make a further contribution to his country. Ian, we shall follow your new career with interest and we wish you much success.'

He then introduced Mrs. Jean Casselman Wadds, O.C. and Mr. A.S. Kingsmill, Q.C., two nominees for Board vacancies as well as representatives of the Company's Auditors.

There were 118 shareholders and proxyholders present at the meeting. A total of 47,739,774 votes were represented, consisting of 47,733,044 votes in respect of which proxies had been deposited with the Office of the Vice-President and Secretary in accordance with the proxy requirements set forth in the notice calling the meeting and 6,730 votes represented by shareholders who attended the meeting in person.

After the secretary had read the notice calling the Annual General Meeting and Special General Meeting, which had been mailed to the registered holders of all voting securities, and confirmed its publication as required by by-law, the Chairman declared the meeting to be regularly called and properly constituted for the transaction of business.

Mr. Lynn H. Goth moved and Mr. Thor A. Foss seconded the following resolution concerning the confirmation of minutes of the Special General Meeting of Shareholders held on October 12, 1983:

RESOLVED, that reading of the minutes of the Special General Meeting of Shareholders, held on October 12, 1983, be dispensed with and that said minutes be taken as read and confirmed.

The question having been put to a vote, the Chairman declared the motion carried.

The Chairman then addressed the meeting as follows:

The Chairman:

Ladies and Gentlemen:

At last year's meeting, I said 1983 would be another disappointing year, but given a resurgence of growth in

the economy, earnings should pick up significantly in 1984 and strengthen further in 1985.

As it happens, events are unfolding much as expected. While 1983 was a year of recovery for some companies, it was one of continued low earnings for Canadian Pacific. Largely, this reflects our involvement in resource-based industries and primary manufacturing which tend to lag the overall economic cycle. In 1984, as the North American expansion matures and the capital spending phase of the cycle starts, many of our companies will begin to pick up, boosted by their high degree of operating leverage. The process is already underway as the improved results in the second half of 1983 show. However, it will be 1985 before Canadian Pacific earnings return to pre-recession levels.

While 1983 was disappointing in terms of earnings, it also had its achievements. Tight expense control was practiced by all our entities, some operations were rationalized, and others were completely reorganized. The result of these efforts has been significantly improved productivity. In addition, capital spending was reduced and this reduction was matched by a substantial decrease in the amount of new borrowings arranged by the Company. By achieving leaner, more efficient operations, all our entities benefited from these difficult times.

The most significant event of the past year was the resolution of the statutory Crow Rate issue. This one action ended years of losses arising from the movement of grain on the railway. The burden of these losses increasingly threatened railway investment needed to serve not only western grain producers, but other railway users as well.

Under the new regime, the Federal Government will pay to the railways approximately \$650 million annually by the 1986-87 crop year to move grain, while the grain producers will bear a much greater portion of the transportation costs than they did previously.

The Federal Government and the western agricultural community deserve strong praise for undertaking the resolution of the Crow issue.

With a view to making your Company more flexible and better adapted to the modern environment, you are being asked today to vote on a proposal to have the Company continued under the Canada Business Corporations Act. This Act provides a more modern corporate code than do the provisions of the Railway Act and Special Acts that have governed your Company since its inception in 1881.

While I regret the length and complexity of that part of the Information Statement dealing with continuance, I can assure you that we have made every effort to have that document as intelligible as possible.

On the assumption that the continuance proposal is approved, shareholders will receive, for future meetings, a somewhat different form of proxy from the one to which they have become accustomed. In future, a shareholder will be able to direct how his proxyholder will vote in respect of various matters or whether his shares will be voted for, or withheld from voting, in respect of the appointment of an auditor or the election of directors. In short, the corporate practices generally in use by other federal and most provincial corporations in Canada will hereafter apply to this Company.

In perspective, I think it can be said that 1983, while most disappointing in net income results, was one of action on major corporate issues. If 1984 turns out to be what we expect, then Canadian Pacific will have a solid footing for the years ahead.

As a start, the Company's consolidated earnings for the first quarter this year amounted to \$33.4 million, or 46 cents per Ordinary share, up from \$32.2 million, or 44 cents per share, in the same quarter last year.

There was a significant increase in income from Canadian Pacific Enterprises Limited, while the major decrease occurred in CP Rail's income.

Income from Canadian Pacific Enterprises Limited was up \$27.9 million in the first quarter. This achievement generally reflected increased demand and strengthening prices for many products sold by Enterprises' subsidiaries. Improvement occurred in most sectors, but especially in oil and gas, mines and minerals, forest products and iron and steel.

On the other hand, CP Rail's income was down \$28 million. However, it should be noted that results in the first quarter of 1983 included approximately \$32 million representing the net after tax of interim grain payments which were made in respect of grain transported in 1982.

Most other sectors of the Company had better first quarter results this year, although the extent of improvement was moderate. Both airline and shipping operations reduced their losses and income from the Soo Line Railroad Company was higher.

As for the rest of 1984, let me cover the major elements that should influence our results.

CP Rail should have a reasonable year. The new grain transportation regime will have its effect, and the upturn

in traffic which started last summer is continuing.

CP Air expects better results in 1984, although excess capacity and intense competition will continue to plague the industry. Another difficult challenge will arise if the Federal Government decides to implement deregulation. In this context, profitability will hinge on productivity improvement. Substantial progress was made in this area in 1983 and this will continue. The recent acquisition of CP Hotels is expected to bring an additional element of stability to CP Air's results. The proposed acquisition of Eastern Provincial Airways Limited, given regulatory approval, would further strengthen CP Air's operations.

The situation in bulk shipping is better than it has been. Improving trade activity should help strengthen rates, but excess shipping capacity will be with us for some time. For container operations, which suffered a dismal year in 1983, there will be noticeable benefits from the restructuring which took place on January 1, 1984. We now have a container operation between Canada and Western Europe slimmed down to competitive proportions.

For CP Trucks, the issue will be the ability to minimize costs and to be innovative in providing a complete range of services at a profitable return. Increasing market share and strengthening regional presence will continue to be prime objectives.

In telecommunications, CNCP is making every effort to meet competitive pressures head on and to enter new and profitable markets. Last October, it applied to the CRTC to provide public long distance telephone service. The CRTC decision will have important long term implications for CNCP.

Competition is also a key element in the Soo Line's future as American railroads move more completely into deregulation. Expanding geographical coverage is receiving the Soo Line's full attention, as evidenced by the recent proposal to acquire the Milwaukee Road.

Right across the transportation sector, increased competition is putting pressure on prices and placing a premium on low cost operations.

The same broad situation prevails for the major subsidiaries of Canadian Pacific Enterprises.

In oil and gas, volumes for PanCanadian Petroleum Limited's products are up. Recent government amendments regarding oil and gas pricing provisions and measures to improve the gas export situation are also positive factors.

In mines and minerals, Cominco Ltd.'s results should continue on the upward trend that started in the latter

part of 1983. A better balance of demand with supply is expected to strengthen zinc and lead prices further, and demand for fertilizers has been strong. Fording Coal Limited's volumes should be higher than in 1983.

In forest products, markets for newsprint, kraft pulp and lumber, our main product lines, are expected to improve. Improvement in CIP Inc.'s performance will continue mainly due to increased volumes, a favorable U.S. dollar exchange rate and higher selling prices. Great Lakes Forest Products Limited should return to profitable operations in 1984, while better results are expected for Pacific Forest Products Limited.

Current losses at The Algoma Steel Corporation, Limited are attributable to continuing weak volumes, soft prices, and a product mix weighted towards business investment. Demand for Algoma's consumer-oriented products is strong and is expected to remain so owing to the recovery in the automotive and other durable goods markets. Sales of seamless tubes are projected to rise in 1984 as U.S. inventories are rebuilt. However, demand remains relatively weak for plate and structurals.

AMCA International Limited expects a turnaround in its results in 1984. This is based on a recovery in the U.S. capital goods sector and the absence of write-offs, related to the divestiture of certain unprofitable operations, which adversely affected 1983 results.

In real estate markets, despite the likelihood of soft conditions, Marathon Realty Company Limited will remain a consistent earner. In agriproducts, demand for Maple Leaf Mills Limited's products should continue to rise steadily. Earnings will also benefit from acquisitions made in 1983.

In summary, what we see is a company heading for a solid recovery. The Crow issue has been faced, international trade is picking up as the rest of the world joins the economic recovery in North America, commodity prices are firming, and capital spending should begin to turn around.

What about the longer term?

There is no doubt in my mind that Canada will remain for the foreseeable future a nation whose economic well-being will be highly dependent on its ability to export resource-based products. This is the reality which flows directly from our comparative advantage and small domestic market.

Dramatic changes have taken place in the competitive environment in the past decade. Of these, perhaps the most important is the emergence of intense competition

from less developed countries enjoying new technology, plentiful resources, lower labor costs, and having an urgent need of foreign exchange. Forest products, non-ferrous minerals, iron and steel, and coal are sectors where these competitive forces are beginning to bear.

What this tells me is that to continue to prosper, our collective will must be oriented to reinforcing the cost competitiveness of Canada's basic industries in world markets. We are fortunate in that we have relatively low energy costs, highly skilled workers, first class transportation and port facilities and immense markets on our doorstep, but these competitive advantages must be exploited fully in the years ahead.

In general, the long term future looks promising. In the Canadian Pacific group, each company is highly conscious of the need to be a low-cost producer in its field. We have good people and solid management teams with strong roots in their businesses. Moreover, we are developing young talent in order to ensure continuity of alert and responsive management. That combination of prime properties and prime talent will enable the Company to sustain healthy and profitable growth in the years to come.

As we see the westward spread of centennial celebrations on the Prairies marking the building of the railway main line one hundred years ago, it is useful to recall that our Company has been around a long time and has surmounted many challenges. This heritage will help us face the continuing and intense competition of the next decade. I am confident that our companies are in a strong position from which to go forward and prosper in this environment.

On behalf of the directors, the Chairman then submitted to the shareholders the report of the directors containing a statement of the affairs of the Company, pursuant to the requirements of the by-laws of the Company. Mr. René Lemyre moved and Mr. Louis-Jacques Ménard seconded the following resolution:

RESOLVED, that the reading of the report of the directors for the year 1983 be dispensed with.

The question having been put to a vote, the Chairman declared the motion carried.

The meeting then proceeded to the election of five directors for a term of four years and one director for a term of one year.

Mr. C.E. Medland then nominated: F.S. Burbidge, William D. Mulholland, The Hon. John N. Turner, P.C., Q.C.,

Jean Casselman Wadds, O.C. and Ray D. Wolfe for election as directors of the Company for a term of four years and A.S. Kingsmill, Q.C. for election as a director of the Company for a term of one year.

There were no other nominations but, in discussion, Mr. Carmand Normand, Senior Vice-President, Equity Investments and proxyholder for the Caisse de dépôt et placement du Québec (the Caisse), stated that his organization believes in proportional representation. He said that a shareholder, such as the Caisse, having over \$300,000,000 invested in the Company, should have representation on its Board of Directors. He said, therefore, he would abstain from voting the shares held by the Caisse on the election of directors. The Chairman replied that, as Mr. Normand and the Caisse are fully aware, Canadian Pacific believes very firmly that it is inappropriate that there be representation of government agencies on the Board of a company like Canadian Pacific Limited.

On motion of Mr. Frank B. Peterson, seconded by Mr. Jean D. Ethier, the following resolution was adopted:

RESOLVED, that nominations for directors of the Company be closed and that the secretary be hereby instructed to cast a single ballot on behalf of the shareholders for the election of F.S. Burbidge, William D. Mulholland, The Hon. John N. Turner, P.C., Q.C., Jean Casselman Wadds, O.C. and Ray D. Wolfe as directors of the Company for a term of four years and for the election of A.S. Kingsmill, Q.C. as a director of the Company for a term of one year.

A ballot having been so cast, the Chairman declared that F.S. Burbidge, William D. Mulholland, The Hon. John N. Turner, P.C., Q.C., Jean Casselman Wadds, O.C. and Ray D. Wolfe were elected as directors of the Company for a term of four years and that A.S. Kingsmill, Q.C. was elected as a director of the Company for a term of one year.

The Chairman stated that the next order of business was the appointment of the auditors. Mr. Latham C. Burns moved and Mr. Richard J. Riendeau, Q.C. seconded the following resolution:

RESOLVED, that Price Waterhouse be and they are hereby appointed auditors of the Company to hold office until the close of the next Annual General Meeting of Shareholders and that the Board of Directors be and they are hereby authorized to fix the remuneration to be paid to the auditors of the Company.

The question having been put to a vote, the Chairman stated that the motion had been carried and he declared accordingly.

The Chairman informed the meeting that the business required to be dealt with at the Annual General Meeting had been concluded. He said that any item of general business must be discussed at the Annual General Meeting prior to it being made special and he invited discussion on any other general business of the Company by any shareholder.

There being no further discussion, the Chairman declared that, as the business of the Annual General Meeting had been concluded, the meeting was made special for the purpose of considering and, if thought advisable, passing a special resolution authorizing the directors to apply for a certificate of continuance of the Company under the Canada Business Corporations Act (CBCA) and in connection therewith making certain amendments to the Company's charter. He said that shareholders also will be asked to consider and, if thought advisable, to approve and confirm By-law No. 1 which is a new general By-law that would replace existing by-laws effective on the continuance of the Company under the CBCA.

Special Resolution

The Chairman then informed the shareholders as follows:

“The Canada Business Corporations Act came into force in 1975. Its stated purposes are to revise and reform the law applicable to business corporations incorporated to carry on business throughout Canada, to advance the cause of uniformity of business corporation law in Canada and to provide a means of allowing an orderly transference of certain federal companies incorporated under various Acts of Parliament to the CBCA. Most companies governed by the old Canada Corporations Act were required to continue by December 15, 1980. The Company was not required to continue, but it may do so. A discussion of the more significant aspects of the proposed continuance was set forth in the Information Statement which was forwarded to all the shareholders, copies of which were made available at the entrance to this meeting room. The full texts of the special resolution and of the Articles of Continuance referred to therein

are attached as Schedules I and II to the Information Statement. The Board of Directors considers it advantageous to the Company and its shareholders that the Company be continued under the CBCA and unanimously recommends that shareholders vote for the proposed special resolution. To become effective, the special resolution authorizing continuance must be passed by a majority of not less than two-thirds of the votes cast by the holders of the ordinary and preference stock present or represented at the meeting and voting together on the resolution. It also must be passed by a majority of not less than two-thirds of the votes cast by the holders of the ordinary stock present or represented and voting on the resolution separately as a class, because the proposed articles simplify and modernize the provisions applicable to the ordinary stock.”

The Chairman then tabled the special resolution and Mr. James B. Pitblado moved and Mr. Alan A. Sharp seconded the following resolution:

RESOLVED as a special resolution that:

- (1) The directors of the Company are hereby authorized pursuant to Section 261 of the Canada Business Corporations Act (the “Act”) to apply under Section 181 of the Act for a certificate of continuance.
- (2) The articles of continuance of the Company, a copy of which was scheduled to the Information Statement containing the notice of this meeting, are hereby approved with such technical amendments, deletions or alterations as may be deemed necessary or advisable by the Chairman and Chief Executive Officer or the President in order to assure compliance with the provisions of the Act or the requirements of the Director thereunder.
- (3) The charter of the Company is hereby amended, effective as of the date of the said certificate of continuance, as set forth in the said articles of continuance.
- (4) The proper officers of the Company are hereby authorized to sign and deliver for and on behalf of the Company the said articles of continuance and to sign and deliver such other notices and documents and to do such other acts and things as may be considered necessary or desirable to continue the Company under the Act and to give effect to this special resolution.

At the conclusion of the discussion, a poll first was conducted by ballot in which the holders of the ordinary and preference stock present or represented at the meeting voted together on the foregoing special resolution and then a poll was conducted by ballot in which the holders of ordinary stock present or represented at the meeting voted separately as a class on the foregoing special resolution.

The Chairman instructed the Scrutineers to retire, tabulate the ballots and provide the Chair with a separate Scrutineers' Report on each of the two polls.

At 11:50 a.m., the Chairman recessed the meeting until 12:15 p.m., when the Scrutineers' Reports on the polls were expected to be ready.

At the conclusion of the recess, the Chairman called the meeting to order.

The Chairman then read and adopted the Scrutineers' Report on the poll of the holders of the ordinary and preference stock voting together on the foregoing special resolution. He said 47,739,181 votes had been cast for the resolution and that no votes had been cast against the resolution. He declared the motion carried by a majority of more than two-thirds of the votes cast by the holders of the ordinary and preference stock present or represented at the meeting and voting together on the special resolution.

The Chairman then read and adopted the Scrutineers' Report on the poll of the holders of the ordinary stock only voting separately as a class on the foregoing special resolution. He said that 43,644,045 votes had been cast for the resolution and that no votes had been cast against the resolution. He declared the motion carried by a majority of more than two-thirds of the votes cast by the holders of the ordinary stock present or represented at the meeting and voting on the special resolution separately as a class.

The Chairman directed that the Scrutineers' Reports be annexed to the minutes of the meeting.

By-law No. 1

The Chairman stated that the last item of business to come before the meeting was the approval and confirmation of By-law No. 1, the full text of which was attached as Schedule III to the Information Statement. The Chairman then informed the shareholders as follows:

"New By-law No. 1, regulating generally the transaction of the business and affairs of the Company, was made by a resolution of the Board of Directors on March 12, 1984. It will come into force on the continuance of the

Company under the CBCA. It will replace all but two of the existing by-laws of the Company as set out in the Information Statement. With continuance under the CBCA, it will be appropriate for the Company to have a new general by-law consistent with the provisions of the CBCA and its articles of continuance. New By-law No. 1 takes advantage of provisions of the CBCA simplifying and updating corporate procedures and making them more flexible. The Company believes that none of the changes in By-law No. 1 would adversely affect the rights of shareholders. A discussion of the more significant aspects of the new by-law in relation to the present by-laws is included in the Information Statement. The Board of Directors believes that new By-law No. 1 is conducive to flexibility of action in the future and unanimously recommends that shareholders vote for its approval and confirmation."

The Chairman informed the meeting that approval and confirmation of By-law No. 1 required a resolution passed by a majority of the votes cast by the holders of the Ordinary and Preference Stock present or represented at the meeting and voting together thereon. He then tabled By-law No. 1 and Mr. Austin G.E. Taylor moved and Mr. Warren Y. Soper seconded the following resolution:

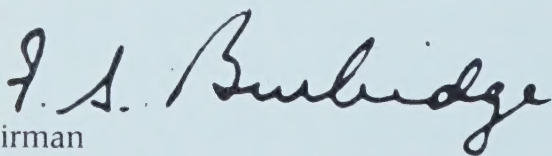
RESOLVED, that By-law No. 1 of the Company, made by the Board of Directors on March 12, 1984, be and it is hereby approved and confirmed.

The question having been put to a vote and no votes cast against it, the Chairman declared that the motion had been carried by a majority of the votes of the shareholders of the Company present or represented at the meeting.

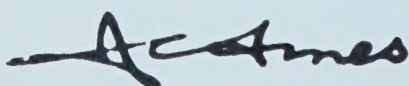
Mr. David M. McEntyre moved and Mr. B. Caplan seconded the following resolution:

RESOLVED, that this meeting do now terminate.

The question having been put to a vote, the Chairman declared the motion carried and the meeting terminated.



Chairman



Vice-President and Secretary

At a meeting of the Board of Directors held after the shareholders' meeting, Mr. F.S. Burbidge was appointed Chairman and Chief Executive Officer and Mr. W.W. Stinson was appointed President.

The following were appointed members of the Executive Committee:

Mr. F.S. Burbidge

Mr. Robert W. Campbell

Mr. Paul Desmarais, O.C.

Mr. W. Earle McLaughlin

Mr. Paul L. Paré

Mr. Claude Pratte, Q.C.

Mr. W.W. Stinson

Mr. Ray D. Wolfe

During the Board meeting advice was received to the effect that a Certificate of Continuance under the Canada Business Corporations Act had been issued to the Corporation.

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